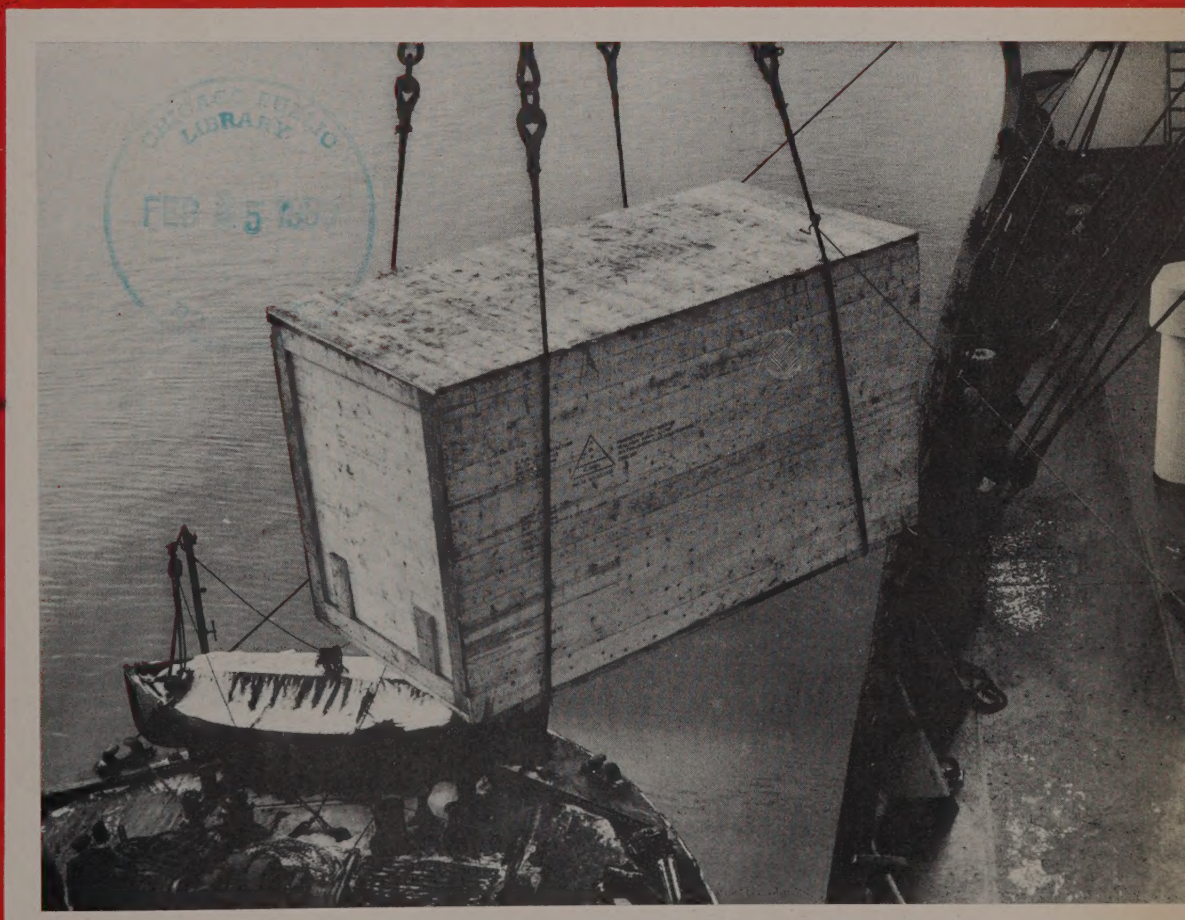
FEBRUARY 18, 1956

foreign trade

NADA



LIBRARY
FEB 15 1956

HOW TO ORGANIZE FOR EXPORT (page two)

3	How to Organize for Export
7	Chicago and the Seaway
9	Iran: Sales Prospects Improve
11	Fairs and Exhibitions
13	Brazil Increases Its Coffee Exports
15	France: the Business Picture Brightens
17	Canada in Foreign Markets
18	Banking Abroad: Chile
20	Cuban Market for Wheat and Flour
22	Commodity Notes
24	A Look at the Sudan
26	Uruguay and Its Agricultural Markets
28	Trade and Tariff Regulations
30	Transportation Notes
32	Foreign Commercial Representatives in Canada
34	Foreign Exchange Rates
36	General Notes

CANADA

foreign trade

Established In 1904

Published fortnightly by the Department of Trade and Commerce.
The Right Honourable C. D. HOWE, Minister,
WM. FREDERICK BULL, Deputy Minister.

OTTAWA, FEBRUARY 18, 1956, Vol. 105, No. 4

Please forward all subscriptions and orders to.
The Queen's Printer, Government Printing Bureau. Ottawa,
Price: $2.00 a year in Canada; $5.00 abroad.
Single copies: 20 cents each.
Authorized as second class mail by the Post Office Department, Ottawa.

Material appearing in this magazine may be freely reprinted, preferably giving credit to "Foreign Trade".

cover A shipment of Canadian-made machinery is swung overside to a waiting lighter in the harbour at Liverpool, England. The photograph introduces our new series of articles on the principles and practices of export trade, which begins in this issue. For the introductory story, turn to page two.

editorial

Thinking of Export Markets?

Shortly after the war ended, the Department of Trade and Commerce published a booklet entitled "ABC of Canadian Export Trade". It was intended, as the introduction pointed out, for "the large number of firms and businessmen turning to export trade as a business". For their guidance the booklet offered "information on the elementary requirements and practices of this trade".

For many months the ABC has been out of print but we have continued to receive requests for it. This persisting demand for concise, factual data on the principles of export trade set us thinking. The result: a decision to present in "Foreign Trade" a series of articles on this subject.

The first one, in this issue, deals with the general subject of organization for export and grew out of talks both with officers of the Department and with successful exporters operating in different fields. Succeeding articles will examine specific export problems one by one and in greater detail. Some will be prepared in the Department; others will be contributed by outside experts.

In the second article in the series, to appear on March 4, E. R. Ernst, superintendent of the Foreign Department, Bank of Montreal, will discuss the financing of export shipments. Other topics to be covered, issue by issue, include documentation, the obtaining of foreign credit information, pricing for export, marine insurance, packing for export, foreign tariffs, export shipments, and so on.

When the series concludes late in the year, we propose to gather the articles together and to reprint them in booklet form, if we feel that our readers would like to have them in a more permanent form. In this way, we shall have a new "ABC of Canadian Export Trade".

We hope that, after perusing these articles, more Canadian companies will seek foreign markets. We hope too that the information and advice which experienced exporters will offer in these pages will smooth out difficulties for the novice and make success more certain.

—The Editor.

How to Organize for Export

What factors should a Canadian company weigh and consider before it makes the decision to enter export markets? To what sources should it turn for guidance and advice? What should the next step be? Here are some of the answers to these questions, drawn from interviews with nine leading Canadian exporters.

O. MARY HILL, *Editor, "Foreign Trade".*

ONE SUMMER AFTERNOON two years ago, the Canadian Trade Commissioner in Hong Kong, on tour in Canada, dropped into the office of an air conditioning firm in Toronto. He looked at some of their air conditioning units, checked on prices and production, and asked whether the company did any export business. He discovered that they had been thinking vaguely about foreign markets, but that was all. The upshot of his visit was that, on his return to his post, he obtained a good Hong Kong agent for these packaged air conditioning units. Already at least seven have been installed in Hong Kong buildings.

And there is more to this story. In the Department of Trade and Commerce in Ottawa, the Commodity Officer covering this field became interested. He asked some twenty offices of the Trade Commissioner Service abroad to look into the market for air conditioning units in their territory. The result: the Toronto company has begun to sell in Jamaica also and has six other markets under investigation.

That is how one Canadian company became interested in doing business abroad. Like them, many other firms hesitate about seeking foreign markets. They worry about such problems as tariffs, documentation, shipping difficulties, exchange controls, and import restrictions. They shrink from dealing with foreign customers whose tastes, language, and business practices may

differ from their own. They think in terms of an elaborate export organization and ask: "Is exporting really worth the effort?"

Large and Small

A company which wants to do export business usually discovers that these problems aren't nearly as complex as they fear. Nor does a venture into the export field necessarily require a complicated business set-up. In fact, methods of organization for export vary widely among Canadian exporters. At one extreme is the Aluminum Company of Canada, which sells the bulk of its production in foreign markets. Alcan has four associated selling companies abroad, covering the United States and Latin America, Europe and the Middle East, the Far East, and the United Kingdom and other Commonwealth countries. Acting through these associated companies, the sales division of the Aluminum Company of Canada directs all overseas sales of Canadian aluminum. It also has subsidiary companies operating in Mexico and Brazil and, in certain other areas, it uses commission agents.

At the other end of the scale comes the Toronto air conditioning company, starting out with one agent in one chosen market, adding new agents and territories gradually, and so building up an export business. In the process, the company acquires know-how and learns that the problems of export aren't so formidable after all. Between these two methods lie several stages of development.

Ask Questions First

Large or small, any company which wants to succeed in the export market can't afford to enter it on a trial-and-error basis. Fact-finding should come first. One technique which successful exporters endorse is to begin by getting the answers to some fundamental questions. Here are a few of them.

- Does our business lend itself to export, or are the products which we make suited only to the domestic market?
- Have we enough production to meet domestic and possible foreign demand? What percentage could be devoted to export on a continuing basis?
- What countries are already buying this product or a similar one?
- What is the volume of their purchases? Where do they obtain their supplies?
- Are they importing the product because they do not make it themselves, or because of a temporary shortage?
- If they make a similar product, do they protect their own manufacturers by a tariff on imports, by import quotas, or by some other device?
- Which countries have regulations that make selling a foreign product difficult—such as import restrictions, exchange controls, and so on?
- Are payment problems likely to crop up because of a shortage of dollars?
- What about shipping services and shipping costs?
- Which markets are likely to be permanent and expanding ones?
- What Canadian firms are already established in these markets?
- Are there any Canadian export regulations that apply to this product?

Finding the Answers

In working out the answers to these questions, the businessman has many sources of information on which to draw. First comes printed material, such as figures given in the *Trade of Canada* series published by the Dominion Bureau of Statistics, which lists Canadian exports by country and by commodity. Commercial representatives of foreign countries in Canada can supply information on competing imports into their countries. Export statistics of leading trading countries often give useful hints, as do statistics of the United Nations and other international organizations. (These are frequently available in local commercial libraries.) The trade journals which cover various industries, the chartered banks, Dun and Bradstreet's market surveys, and market guides to the various areas all are helpful. So are the reports contained in each issue of *Foreign Trade*. Most companies find, incidentally, that market research of this type isn't a one-time affair but a continuing process. Some maintain up-to-date dossiers on markets in which they are interested and reports and clippings are systematically filed and retained. Through such research, a company evaluates its current markets and discovers new ones.

The inquirer also has at his command the various services offered by the Department of Trade and Commerce. In Ottawa he can talk with a Commodity Officer familiar with the field in which he operates, with an Area Trade Officer who specializes in the territory in which the businessman is interested, with a tariff expert or a transportation adviser. If a trip to Ottawa isn't possible, he can write explaining his problems. One of the important first steps is to obtain a listing in the Department's *Exporters Directory,* a confidential guide to Canadian companies interested in export business and the products which they sell. This *Directory* is on the shelves of every office of the Canadian Trade Commissioner Service abroad.

There is help for the exporter not only at home but also in the 41 countries where Trade Commissioners are stationed. The help which they can give will be

discussed later in this article, or the reader can refer to "How Mr. Canada Helps the Exporter" in the August 20, 1955, issue of *Foreign Trade*.

Support at the Top

When all the relevant facts are collected, the company must make a basic decision: "Shall we enter the export market? Are we willing to invest the time, money and effort needed to make a success of export business?" Successful Canadian exporters all emphasize that an export program means long-term planning. It means devoting a certain percentage of production to export customers, even if, at times, the domestic market must go short. It means a long-range effort, not the occasional attempt to dispose of a temporary surplus. It means putting money into opening up these markets and waiting two, three, or even five years for results.

Only top management can make these far-reaching decisions and no export effort can succeed unless top management supports it. The Minister of Trade and Commerce made this clear—and emphasized the need to spend money on export promotion—when he spoke to the annual meeting of the Canadian Exporters Association in the fall of 1954. Said Mr. Howe: "The building up of export markets may require even more attention and time than the building up of domestic sales. In other words, I am entering a plea for better treatment for the export departments of Canadian manufacturing organizations . . . In the Canadian Government, we have learned that it pays rich dividends to put some extra money into trade promotion activity. The results do not come overnight. It is sometimes months or years before the new office begins to pay off in extra business. But it is very rarely that we have regretted the decision to expand".

Testing Grounds

When the company has committed itself in principle to the export adventure, the logical next step is to choose a few markets as testing grounds. Old hands feel that it is better to get sales to one or two markets running smoothly, then branch out into other areas. One way of proceeding is to send to the Department of Trade and Commerce samples of the product (if it lends itself to samples), price lists, terms of trade, specifications, and descriptive literature. Officials can then suggest which markets to try out and the material can be sent on to Trade Commissioners in the chosen areas. They can compare the product with competitive ones, advise on tariffs, any shipping problems, and the peculiarities of the market.

Methods of Exporting

Most Canadian companies which commit themselves permanently to the export market prefer to set up their own export departments and then to sell through exclusive agents in foreign countries. This means selecting an experienced man as export manager and supporting his efforts. It means also training clerks to handle documentation and export procedure, and to take care of export correspondence.

To Succeed in the Export Market . . .

Nine Canadian companies were interviewed to collect material for this article. Among other questions, we asked them: "What are the secrets of success in foreign selling?". Here are their answers:

- *Go into export to stay; don't be an "inner and outer". If necessary, set aside certain percentage of production for foreign markets.*
- *Make use of various sources of printed information, statistics, etc., and of the Trade Commissioner Service in acquainting yourself with the size and the characteristics of each market.*
- *Follow up this market research by personal visits to the areas in which you wish to sell. Adapt your product if you can to the tastes and demands of the various countries.*
- *Pick your agents abroad with care, give them sales aids such as samples and promotion literature, and then back them up in every way.*
- *Make it easy for your customer to buy by quoting prices c.i.f. whenever that is possible, or f.o.b. plus transportation costs from port.*
- *Don't be afraid of spending money to make money; money spent in visiting the markets, for example, is well invested.*
- *Don't expect results too soon; it takes at least a year and sometimes three or four years to build up worthwhile business.*
- *Cultivate export markets while business is good at home, and you have the money to spend on promotion and on opening up new territory.*

But there are other ways of handling export sales which many companies new to export prefer; so do firms which do not seek permanent export markets but only occasional foreign sales. The three most common are:

- *Export Agent*—The agent secures orders for the company's goods through his own system of representation abroad, and charges the company a commission on sales made. He looks after all the details of selling the goods but does not take the financial risk.

- *Export Merchant*—The Export Merchant buys goods from the manufacturer outright, pays for them, and resells them to foreign customers. A good many export merchants specialize in certain types of goods —machinery and machine tools, for example, or forest products, or wheat and flour—and in certain markets. Using this system, the company has no personal contact with its overseas markets. And it gives a lower net return.
- *Commission House*—This is a variation of the Export Merchant. The Commission House (or Commission Agent) buys in Canada for the account of a foreign customer, attends to the shipping of the goods, and may also pay for them, with the foreign buyer reimbursing him later. His main interest is serving his overseas client.

Those firms which shy away from export because of the problems involved in documentation and shipping often employ a forwarding agent to dispatch the goods. The general subject of "Freight Forwarding" will be covered in a later article.

See for Yourself

All but one of the companies interviewed during the preparation of this article choose to sell through resident agents abroad. And though it is possible, with the help of the Trade Commissioner, to choose suitable agents in foreign countries by correspondence, the ideal arrangement is for the export manager to make the selection himself. This means that, as soon as the company has decided which markets it wishes to enter, the export manager, either alone or in company with a senior executive, should visit those markets. Travelling by air, he need not be absent from his home base too long. And the benefits of this personal investigation are very real—one export manager vows that one visit is worth a hundred letters. To make sure that his time in each country is put to the best possible use, the exporter should write to the Trade Commissioner well in advance. The Trade Commissioner can then arrange appointments with prospective agents and customers, gather statistics on the market, on competitive imports and so on, and make hotel reservations. An experienced export man offers this tip to companies selling consumer goods: send samples to each area well in advance of your arrival, then take them with you on your calls. If samples aren't practical, descriptive literature, catalogues, etc., will do; they can be left with customers and agents. Another has adopted the practice of sending his samples by airmail or air express even though the cost is high. He feels that once a prospective buyer or agent has expressed an interest, the samples must be in his hands with a minimum of delay or the interest may wane.

The trite remark "You have to spend money to make money" was never more true than it is in the export market. Personal selling trips bring orders that a company can get in no other way—one Canadian found that during his first three calls abroad he sold goods enough to pay for his entire trip. He adds that there's no better way to get the "feel" of the market, to learn about the idiosyncrasies of foreign customers, to establish friendly relations with them, and to learn about competition. And there's no better way to find a good agent—to size him up, educate him in what the product will do, and come to a mutually satisfactory arrangement. A Canadian firm which sells in over 65 countries and has years of experience with exports still tries to see that a member of the export department visits every market every year. Personal relationships are just as important abroad as they are at home.

If for any reason a personal visit is out of the question, the exporter can rely on the assistance of the Trade Commissioner. Most companies prefer using an exclusive agent and paying him a commission on sales. It's well to look into his credit standing before making a formal arrangement with him, and the banks and the Trade Commissioner can help with this, or the exporter can check with other Canadian companies which he represents. Once the agent is chosen, the important thing is to give him full support. The technique of dealing through agents will also be discussed more fully in this series.

Tangible Rewards

Occasionally companies reluctant to embark upon export trade offer as a reason: "Foreign businessmen are sometimes unreliable". Successful Canadian exporters laugh at this notion; one says flatly that not only are foreign customers thoroughly reliable—they also are easier to please than domestic ones. Another exporter tells the story of a Mexican customer who went bankrupt. Several years after, he paid off the debt although he was under no legal obligation to do so. Nor are all Canadian companies free from criticism; there have been instances where the company failed to ship according to sample, or did not live up to delivery dates. Unreliable exporters hurt Canada's reputation in overseas countries. A man with wide export experience gives the recipe for success as "reliable suppliers and reliable representatives".

The records of literally hundreds of Canadian companies attest that efforts and attention given to export markets bring tangible results. But, says one expert, "Only a comparative handful of companies have applied as much creativeness and vigour to the development of sales abroad as they have to selling at home". This series of articles is intended to help that situation by answering the question: "How should we go about export selling?" and thus to persuade more Canadians to go out and sell in foreign markets. ●

Chicago and the Seaway

Chicago civic authorities have made plans to take advantage of opportunities the St. Lawrence Seaway will offer and two major projects are in preparation to improve conditions for water traffic to and from the city. Here is an outline of Chicago's development as a distribution centre and what it will mean to Canadian exporters and importers.

G. A. NEWMAN, *Deputy Consul General (Commercial), Chicago.*

CHICAGO'S LOCATION as the main distribution point to and from the midwestern United States has been one of the principal reasons for its growth to the second largest city in the country. Chicago civic authorities and trade officials now believe that the opening of the St. Lawrence Seaway combined with two major Chicago projects—the Lake Calumet deepwater harbour and the improvement of the Calumet-Sag channel—will add greatly to the city's geographical advantages.

Chicago is the only city on the Great Lakes which has a direct water connection between the Great Lakes-St. Lawrence Waterway and the Mississippi River system. Today the metropolitan port of Chicago includes the downtown Chicago Harbour, the Calumet Harbour of South Chicago, one public harbour in Indiana, Indiana Harbour, and two private harbours, Buffington and Gary, both belonging to the United States Steel Corporation.

North and South Routes

The port of metropolitan Chicago is unique in that it has two connecting waterway routes between Lake Michigan and the Mississippi River system. Primarily intended for sewage and drainage channels, both have been in use for navigation purpose since the early 1930's. The northern route follows the Chicago River and the Chicago Sanitary and Ship Canal to Lockport, Illinois, 30 miles to the southwest, where it connects with the Des Plaines River. From there it moves via the Illinois and Mississippi Rivers to the Gulf of Mexico.

The south Chicago route, the Calumet-Sag Channel, begins in Calumet Harbour on Lake Michigan, follows the Calumet River for six miles to the point where Lake Calumet draws out, and then moves by Little Calumet River and the 16-mile Calumet-Sag Channel to a junction with the Chicago Sanitary and Ship Canal at Sag junction, about 20 miles west of Lake Calumet.

The disadvantage of the northern route is that it passes through downtown Chicago, with its numerous street bridges and high-priced real estate on either side, and enters Lake Michigan in an area reserved for park and scenic purposes where the erection of industrial plants (to take advantage of low cost movement of raw materials) is not permitted.

On the other hand, the southern route—the Calumet-Sag Channel and the deepwater Lake Calumet Harbour—serves the Calumet district where 15,000 acres are available for industrial development. The main difficulty with this channel is that it has a width of only 60 feet and numerous short-spanned low bridges which permit hardly more than four million tons of waterborne cargo at maximum capacity (about 3·5 million tons in 1954). Two improvements are planned for this route when the St. Lawrence Seaway opens: the deepening and widening of the Calumet-Sag Channel, and the construction of the Lake Calumet deepwater harbour.

Calumet-Sag Channel Project

The Calumet-Sag project calls for widening of the present channel from 60 to 225 feet, deepening of the channels, and removal or rebuilding of the obstructing bridges which cross the 16-mile passageway and several connecting waterways, including the Calumet River and the Sanitary and Ship Canal. Authorized originally by Congress in 1946, the project received its first vote of $4 million this year and is expected to be completed about 1961. When complete it will permit the passage of big multiple tow barges of 10 to 14 units, and the Mississippi River system will then be ready to take full advantage of the St. Lawrence Seaway.

Lake Calumet is a shallow lake of 2,300 acres connected with Lake Michigan by six miles of the Calumet River, which is navigable by lake and small ocean vessels, and with the Mississippi River system by the Calumet-Sag channel. Thus in Lake Calumet the St. Lawrence-Great Lakes and Mississippi waterways meet.

Lake Calumet Harbour

In the spring of 1955, the Chicago Regional Port District (a state-city agency) obtained a title to Lake Calumet with the obligation to develop a comprehensive port terminal and industrial area. The development plan calls for the expenditure of $100 million in the next ten years. To finance the first stage, $24 million of revenue bonds have been floated. The bonds will be retired in about 40 years with rentals paid private owners of the facilities. The private owners will service, with appropriate charges, those wishing to use the facilities. In the initial stages of the project, it is expected that about three-quarters of the revenue will come from the operation of two grain elevators now being built. Both these elevators have a capacity of 65 million bushels and are capable of unloading and loading at high speed ships, barges, and rail grain carriers.

The first developments in the Calumet Lake plan will be located on 200 acres at the southern end of the lake; they include 7,000 feet of berthage, sufficient for about 15 ships of St. Lawrence Seaway size, and transit sheds 2,000 feet long by 120 feet wide, with appropriate loading capacity, discharge and storage areas, railroad cars and motor trucks. Later on 700 acres of basins and slips will be dredged and the excavated material used as fill behind sheet steel bulkheads, and about 1,600 acres of industrial sites with direct access to navigable water will be laid out. The first stage of the plan is to be completed by 1957, in ample time for the first Seaway ships expected in 1959.

Cargo Movement

Cargoes moving into and through the Port of Chicago can be divided roughly into inland waterway, lakewise, and overseas shipments.

- *Inland Waterway Cargoes (Sanitary and Ship Canal)*—In the 21 years since the canal was completed, cargoes have risen from 482 thousand tons in 1933 to 14·6 million tons in 1954; on the Calumet-Sag Channel the increase was from 14,850 tons to 3·7 million tons. As might be expected, these cargoes were mainly of the heavy industry type such as (in 1954) petroleum products, bituminous coal and lignite, sulphur, salt, gravel, pig iron, molasses, cotton, wood manufactures, paper, and modest quantities of agricultural products.

- *Lakewise Cargoes*—Some 40 million tons of lakewise cargo is handled by Chicago's five lake-front harbours and consists principally of iron ore, coal, limestone, pig iron, newsprint, petroleum products and grain. Cargoes are handled for the most part by large lakers, with the Calumet area assuming increasing importance as the main working section of the metropolitan port of Chicago.

- *Overseas Cargoes*—Since 1933, when the first small cargo sailed from Chicago to Europe, the metropolitan port area has seen overseas traffic increase until in 1954 there were 235 arrivals and departures of small foreign flag ocean freighters, mainly small postwar motorships of about 1,600 tons designed to navigate the St. Lawrence River canals. In 1954, scheduled services were offered between Chicago and ports in Europe, North Africa and the Caribbean by 12 companies. These ships carried about 700 thousand tons of cargo between United States, Canadian and overseas ports.

The principal imports and exports from overseas by water were :

IMPORTS	EXPORTS
Fish and products, including canned	Meats and products
Hides and skins, raw	Animal oils and fats, edible
Fruits, prepared, including canned	Hides and skins, raw
Vegetable oils, fats, edible	Animal products, edible
Table beverage materials	Flour, flour grain preparations
Sugar	Animal feeds
Liquors and wines	Molasses, sugar products, edible
Vegetable fibre manufactures	Clays and earths
Stone and manufactures	Rolled finished steel mill products
Glass and glass products	Copper ore concentrated, scrap
Manganese	Copper alloy forms and scrap
Vehicles and parts	Construction mining machinery and parts
Coal-tar products	Agricultural machinery and parts
Industrial chemicals	Motor vehicles
Industrial machine parts	Coal-tar products
Plywood veneers, ties	Industrial chemicals

Trade with Canada

The cargoes moving between Canada and the metropolitan port of Chicago today suggest what can be expected to move in even larger volume when port and river facilities are improved. In 1954, the principal imports from Canada by water were barley and

rye, a small tonnage of wheat, oats, newsprint, iron ore and concentrates, iron and steel scrap, and semi-finished iron and steel. Exports to Canada were mainly meat and meat products, corn, soy beans, coal, fuel oil, sulphur, pig iron, steel mill products and coal tar products.

Future Prospects

Chicago authorities anticipate that the greater industrial activity and traffic which completion of the St. Lawrence Seaway, the Lake Calumet deepwater harbour and the Calumet-Sag Channel improvements will bring to the south Chicago-Calumet area will mean an additional population of 1·9 million during the next 15 years.

From a Canadian trade point of view, the prospect is that heavy raw and semi-manufactured industrial and perhaps construction materials may move from a much wider area in Canada to the Chicago and Mid-west markets, and a larger and cheaper supply of heavy bulk materials may be shipped from the mid-western and southern United States to Canada.

It is not likely that the harbour and seaway improvements will greatly alter the current volume of rail and truck shipments to and from Canada. The reason is simple. Shipments from interior points in Canada or the United States to consignees who are not immediately on the waterfront require much less handling and are much less expensive by rail and truck than they would be by mixed land and water shipment. Indeed, it is more than likely that the expected industrial expansion in Chicago, with an accompanying growth in population and homes, will increase land and rail shipments of wood and agricultural products from Canada. And it is on this score—the strengthening of Chicago as a highly important market for Canadian products of this type—that the greatest benefit from these new improvements can be expected.

IRAN: *sales prospects improve*

Steady rise in oil revenues, plus overseas sales of other commodities and foreign loans, are making Iran a more attractive market. Imports are subject to licence but there is no discrimination against dollar goods. Canadian exporters in many lines should be able to increase sales.

*D. B. BARTLETT, *Commercial Secretary, Karachi.*

DURING 1955, prospects for sales to Iran brightened with the progressive re-establishment of foreign exchange earnings from the oil industry. In the Iranian year ending in March 1955 oil exports were worth only about $28 million, but estimates for the current year indicate earnings of about $110 million—and early figures are consistent with these estimates. The full effect of the increased income has not yet been felt in the bazaars, although the drop in discount rates on first-class commercial paper to 15-16 per cent from 22-24 per cent earlier in the year testifies to an easier money supply. There seems little doubt that sales prospects will continue to improve in 1956.

There is a tendency to assess Iran in world trade only in terms of oil exports, although sales of other commodities are also important in generating foreign exchange. In the last full year for which figures are available, (April 1954-March 1955) exports other than petroleum earned more than $140 million, and it is likely that this figure will be exceeded during the current year. The most important exports were cotton ($39 million), dried fruit ($20 million), and carpets ($16 million). The most important buyers were India, France, Germany, and the U.S.S.R., with the United Kingdom resuming its place among the leaders more recently. In addition to export earnings, the foreign exchange position was also strengthened by substantial lines of credit from the United Kingdom and France, by expenditure of almost $1 million by the United Nations, and by United States assistance for economic development, budgetary support, and defence support expected to total about $50 million in the year ending July 1956.

** This report was prepared when Mr. Bartlett was Acting Commercial Secretary in Karachi. He has since returned to his post with the International Economic and Technical Co-operation Division (Colombo Plan).*

The policy of the Iranian Government is to devote the greater part of oil royalties to major development projects such as roads, railways, power projects, and so forth. The remainder goes to support normal government expenditures. In general terms, most of the income from the export of commodities other than oil is available for the import of consumer goods or partly fabricated raw materials. It seems likely, therefore, that there will be good opportunities for the sale of heavy equipment and engineering and technical services, as well as many lines of manufactured goods.

In the past few months, for example, large contracts have been signed with foreign firms for railway construction, photographic surveying, supply of railway locomotives, construction of industrial plant, and consulting engineering services. It seems certain that this type of opportunity will continue to be available as oil revenues increase. Competition for these orders is keen, with French, German, British, Italian and United States firms actively interested, but Canadian firms who pursue openings aggressively should have a reasonable chance of a share of the business.

Iranian imports during the year ending March 20 last amounted to about $280 million. Major suppliers were the United States ($69 million), Germany ($49 million), Japan ($28 million), the United Kingdom ($24 million), and the U.S.S.R. ($20 million). The most important categories of imports were sugar ($43 million), vehicles and parts ($35 million), cotton and other textiles ($27 million), and iron manufactures, electrical machinery and fittings (about $19 million each). The rest of the list includes a very wide range of imports, many of them fully manufactured consumer goods.

Methods of Trading

There is now no serious difficulty about securing dollars, as opposed to other currencies, to pay for foreign purchases. All imports are, however, subject to licence, and some categories are prohibited, particularly products offensive to orthodox Moslems (such as spirits) and goods which compete with local industries (such as leather goods, most foodstuffs, some textiles, and footwear).

For permitted imports, quotas are established and published for each Iranian year. It is, of course, the responsibility of the importer to secure the necessary licence and permits. These cannot be obtained until the goods have arrived in Iran and the documents have been cleared through the Bank Melli, the state bank. Regular warning announcements are made as quotas become exhausted. The import of some goods—e.g., tobacco, railway materials, and goods transport—is a government monopoly and is not subject to the normal licensing regulations.

One recent development of interest to exporters is the announcement that, with effect from January 20, 1956, two leading commercial banks, the Bank Bazargani and the Pars Bank, are authorized to transact business in foreign currencies. It is expected that other banks may shortly be added to this list. In the past, this business has been reserved for the Bank Melli.

Canadian Trade with Iran

Canadian exports to Iran in the calendar year 1954 amounted only to about three-quarters of a million dollars, and sales for the first nine months of 1955 were running at a lower rate. Although the totals are low, the list of products exported includes between 70 and 80 items, which in itself testifies to the prospects for expansion in a number of lines in this market. It is significant that exports are very largely manufactured or processed goods, and that by far the largest general category is finished consumer goods intended for retail sale. Although all the likely prospects cannot be listed in a short article, it is suggested that this market might justify special attention from Canadian exporters of such products as household electrical goods, kerosene stoves and heaters, synthetic fibres and fabrics, chemicals and drugs, paints, plastics, and small manufactures generally. The increasing tempo of the development program may also provide opportunities for the sale of road and construction machinery, mining machinery, plant for the generation and transmission of electricity, and so forth, if Canadian suppliers can quote competitively.

Canadian imports from Iran are substantially higher in value than our exports; in 1954 they totalled about $1,385,000, and in the first eight months of 1955, $1,018,000. The list of products is, however, much shorter: it consists almost entirely of dried fruits and nuts, oriental carpets, and, in recent months, petroleum.

Iran is not likely to become a major market for Canadian producers, but prospects for developing useful sales of a wide variety of exports seem good. It is not an easy market: competition is keen, and price (rather than quality) is probably a more important consideration than in many other countries. Personal visits are very useful; it is significant that the Canadian companies well established in Iran find it desirable to send representatives to the country at least every two or three years. However, the difficulties of competition, import licensing, and distance have been overcome by some Canadian firms and there is no reason why others should not also participate in trade with this area.

Statistics in this article from Iranian sources have been converted to dollar terms at the rate of 75 Rials to one dollar—the established rate for Category 1 imports in December 1955.

fairs and exhibitions

Display of Canadian Goods at French Fairs

THE FRENCH GOVERNMENT has renewed the scheme established in 1955 under which import licences are granted for Canadian goods displayed at trade fairs in France throughout 1956. Details of the procedure for obtaining these licences were printed in the May 14, 1955, issue of *Foreign Trade*, page 19.

The obtaining of import licences will require the services of a French agent or importer who must make arrangements in advance to take space in a French fair. Approval of individual applications for import licences is based on an allowance of Fr.25,000 (approximately $70) per square metre of exhibit space which the importer devotes to the display of Canadian goods. The French Government has specified the foregoing maximum for 1956. Last year some latitude was permitted in approving a higher allowance per square metre.

This import licensing scheme applies to the following fairs, and also to specialized fairs such as the 4th Salon de la Chimie and others not listed below.

Bordeaux, June 10-25. For information: M. Henri Lemaire, President, 12 Place de la Bourse, Bordeaux.

Lille, April 14-29. For information: M. Georges Bouchery, General Commissary, Grand-Palais, Lille.

Lyon, April 7-16. For information: M. Chatin, President, rue Ménestrier, Lyon.

Marseille, September 15-October 1. For information: M. Ghiglione, President and General Director, 36 La Canebière, Marseille.

Metz, September 29-October 15. For information: M. Camille Hocquard, General Commissary, 1 avenue de l'Amphithèâtre, Metz.

Paris, May 5-21. For information: M. Tony Bouilhet, President, 23 rue Notre Dame des Victoire, Paris.

Strasbourg, September 1-16. For information: M. Weber, President, Comité d'Organisation de la Foire Européenne, 9 rue Brûlée, Strasbourg.

Inquiries about the import licences should be addressed to the Commercial Counsellor, Canadian Embassy, 2 rue Scribe, Paris 9, France.

Offenbach Offers . . .

NECESSITIES AND FRIVOLITIES in leather, the creations of leather manufacturers in Germany, Austria, England, France, Holland, Italy and Spain, will be found at the International Offenbach Leather Goods Fair, March 3-9. More than 40,000 models will be on display, including luggage, billfolds, toilet cases, writing kits, card cases, flask cases, photograph frames, purses of all kinds for all occasions, briefcases and cigar cases. Besides real leather products, the buyer will see articles made of perlon, plastics and other materials.

The Leather Goods Fair is sponsored by the German leather goods industry and is open to buyers only. For information: German-Canadian Trade Promotion Office, 185 Bay Street, Toronto.

Full House at Osaka

ALL EXHIBITORS' BOOTHS were reserved before the deadline for the 3rd Japan International Trade Fair which is being held this year at Osaka from April 8-22. The Canadian Government exhibit will again feature grain.

Two-thirds of the 1,500 booths will display the products of 450 Japanese firms, including industrial machinery, engineering equipment, electrical plant, construction and building implements, precision instruments, machine tools, textiles and textile machinery, medical equipment, chemical products, jewellery, and china and glassware.

Some 200 foreign exhibitors are expected from Australia, Belgium, Canada, Denmark, Finland, France, East Germany, West Germany, Italy, Sweden, Switzerland, the United Kingdom, the United States, and the U.S.S.R. At last year's fair in Tokyo, 500 manufacturers from 16 foreign countries and 2,000 Japanese manufacturers exhibited; visitors totalled 275 thousand, including 2,000 from 55 different countries.

Visitors to the fair are offered the added attractions of the cherry trees in full bloom, comfortable western and Japanese style hotels, and beautiful scenery in the country surrounding Osaka.

66008—3

For information, write to the Second Secretary (Commercial), Embassy of Japan, Room 701, Metcalfe Building, Ottawa.

Invitation to Basel

SWITZERLAND invites business visitors from all over the world to the 40th Swiss Industries Fair in Basel from April 14-24. Some 2,300 exhibitors from all branches of industry will display their products in 21 exhibition halls. The machine tool industry will be absent this year; it has handed over its hall to the textile machinery industry.

Concurrently, the 26th Swiss Watchmaking Fair will also be held in Basel. More than 150 watch manufacturers, including the makers of the world-famous brands, will take part.

If you would like to visit these two Swiss shows, write to the First Secretary, Swiss Legation, 5 Marlborough Avenue, Ottawa, or to the Swiss Consuls in Montreal, Toronto, Vancouver and Winnipeg, for a catalogue, information about the facilities offered visitors from abroad, and the special rates on European railways.

Double Bill at Munich

A FAIR WITHIN A FAIR is offered to producers of handicrafts and the industries which supply them and to buyers, art experts and architects at the 8th German Handicrafts and Trade Fair in Munich, April 27 to May 10, 1956. The second attraction in this double bill is the International Sample Show of Arts and Crafts and Industrial Design.

The list of categories of products which will be shown at the 8th German Handicrafts and Trade Fair varies widely and includes: construction, plumbing and heating equipment; furniture and musical instruments; fashion, wearing apparel, furs and leather goods, textiles and shoes; transportation and sports equipment; furniture and ceramics for gardens and parks, and technical literature and teaching aids. The fair's machinery exhibits always attract a large audience and at the 1956 show they will display equipment for household, office and many industries, such as baking, milling, building, textiles, leather, woodworking and metalworking, automotive workshops, laundries, garages and filling stations.

Special shows are a feature of this trade fair and the 1956 program offers "Modern Workshop Equipment", "Handicraft—a help for housewives", "Industrial Design", "Mirror of Fashion", "Collective Group of German Arts and Crafts".

Participation in the International Sample Show of Arts and Crafts and Industrial Design is open to producers of arts and crafts from all countries. Individual countries exhibit in collective groups. Applications for space should be made by competent authorities or organizations of craftsmen, small-sized industries and trades in the country concerned. Participation is free for collective groups.

For information about the 8th German Handicrafts and Trade Fair and its companion show write to: First Secretary (Commercial Affairs), Embassy of the Federal Republic of Germany, 580 Chapel Street, Ottawa.

Diversity at Brussels

TINKER, TAILOR, SOLDIER, SAILOR—not quite, but certainly the farmer, the builder, the baker and the watchmaker, and many others, will be represented at the 30th Brussels International Fair, April 28-May 13. The exhibit categories at this fair cover a wide range of interests: machinery for agriculture, contracting, electric power, kitchen and laundry, plus other applications in the machinery, motors, mechanical and metal construction field; foodstuffs; furnishings, ceramics, etc.; household appliances; leather goods; packing cases; perfume, cameras, jewellery—and even this is not a complete list.

Canada is again sending an official exhibit to Brussels. This year it will feature grains, seeds, tobacco and such foodstuffs as cheese, canned fruits and vegetables, and canned salmon, sardines and lobster.

For information about this major European fair, write to the Consul General of Belgium, 709 Sun Life Building, Montreal.

Fairs in Canada

National Home Show, Exhibition Park, Toronto, March 30-April 7. For information: G. Smedmor, 745 Mount Pleasant Road, Toronto.

Exporama 1956, Show Mart, Montreal, April 5-15. For information: Robert Letendre, Chambre de Commerce du District de Montreal, 14 St. James Street East, Montreal.

Canadian Restaurant Association, Exhibition Park, Toronto, April 16-19. For information: D. G. Adamson, 410 Bloor Street West, Toronto.

Better Home Builders Show, Show Mart, Montreal, April 23-28. For information: Eastern Canada Exhibitions Inc., 423 Ontario Street East, Montreal.

Brazil Increases Its Coffee Exports

With U.S. coffee importers increasing their stocks, Brazil's coffee exports now compare favourably with those of the last five years. But 1955 frost in Parana will mean substantial cut in coffee available for export in 1956-57.

G. F. OSBALDESTON, *Vice Consul and Assistant Trade Commissioner, São Paulo.*

DURING THE FIRST FIVE MONTHS of the current crop year (July 1, 1955, to June 30, 1956), Brazilian coffee exports have been rising: in fact, they have now returned to their former level. The total of 7,282,699 sacks of 60 kilos each for the five months represents an increase of more than 66 per cent over the same period of last year, and compares favourably with those of the last five years, as the table below shows.

Crop Year	*No. of Sacks Exported July to November*
1950-51	7,702,692
1951-52	7,248,073
1952-53	6,984,755
1953-54	7,349,806
1954-55	4,349,814
1955-56	7,282,699

When the current crop year opened, the carryover from the 1954-55 crop stood at 6·5 million sacks. The 1955-56 exportable crop was estimated at 17·7 million sacks. This has now been revised to 18·0 million sacks, with some experts putting it as high as 18·3 million. (The trade, however, feels that this latter figure is too high.) Some 3·2 million bags of the current carryover are held by the Brazilian Coffee Institute. Thus the exportable coffee available in Brazil for the 1955-56 crop year totals about 21·3 million bags. Exports will probably exceed 15 million sacks and, if this figure becomes a reality, Brazilian coffee exporters will enjoy a good year.

U.S. Importers Increase Stocks

The recent rise in coffee purchases results directly from United States coffee importers increasing their stocks. It is estimated that the middle-of-the-month coffee stocks in the United States averaged about 3·7 million sacks in 1952, 3·5 million sacks in 1953, and 4·0 million sacks in 1954. During the first nine months

Coffee beans, part of the great annual crop in the state of São Paulo, are carefully dried in the sun before they are sacked.

66008—3½

of 1955, it is estimated that middle-of-the-month coffee stocks averaged only 2·4 million sacks.

Exports achieved a record during the month of September. The 1,962,000 sacks shipped represented an all-time high for September with the exception of 1949 when, after the National Coffee Department liquidated its stocks, 2·3 million bags were exported in one month. Exports to the United States accounted for 1,315,000 sacks of the September 1955 figure. Exports during October continued at this high level and equalled 1,878,000 sacks, 1,120,000 sacks of which went to the United States. November sales fell to 1,424,000 sacks.

Reflecting this increased demand, the average monthly quotation for Brazilian coffee on the New York Exchange rose as follows:

1955	*Average price on New York exchange (cents per pound)*
July	54.00
August	56.25
September	58.25
October	56.50

The increase in United States stocks is viewed favourably in Brazil not only from the point of view of immediate sales but also as a steadying influence on 1956-57 prices. It is felt that the low stocks held during the months of August through November of 1953 (3·3 million bags average, down from 3·6 million bags average during the first seven months) was one of the contributing causes to the unprecedented surge in New York prices when they nearly doubled in a five-month period.

Outlook for 1956-57

According to a report issued by the Brazilian Institute of Coffee, the frosts which hit the coffee plantations of Parana last July will reduce the 1956-57 coffee harvest in that State from the current year's revised estimate of six million sacks to 650 thousand.

This estimate is based on a rough comparison of the effects of the 1955 frost with those of the 1953 frost. The Brazilian Institute of Coffee believes that the 1956-57 harvest will be 50 per cent of the harvest achieved in the year following the 1953 frost. The number of sacks registered at the ports in that year was 1,336,544, so this would put the expected harvest for 1956-57 at 650 thousand sacks.

The technicians emphasize that the recuperation of the coffee trees is not as promising as in the year 1953. At this time of year in 1953 profuse budding was already noted. This is not true in 1956, probably because of the scarcity of rains during the months of September, October and November 1955. By contrast, the same months of 1953 had ample rain.

In many circles the above estimate for the 1956-57 Parana crop is considered low. The figure of one million sacks is being mentioned as more probable.

Basing its judgment on the higher estimate for Parana and the increase in the number of new trees, the trade estimates that Brazil will have between 13·5 and 14·5 million bags of coffee registered for export in 1956-57. Discounting the amount of coffee which will be consumed in the ports and on board ship, this should mean about 12·5 to 13·5 million bags of coffee from the 1956-57 crop for export abroad.

World Bank Sponsors School

A unique school to teach foreign administrators and economists means of helping underdeveloped economies has opened in Washington. Named the Economic Development Institute, it was organized and partially financed by the World Bank. The 14 students attending the school, all senior government officials, come from all corners of the world, from Mexico to Uganda to Japan.

Bank officials thought of founding the institute after sending teams of experts to several countries, including Turkey and Nicaragua, to help straighten out their economies. The Bank decided it would be more valuable in the long run to train foreign administrators to do the job themselves, rather than relying on outside help.

Classes consist of daily seminars conducted by the institute's three-man staff, plus discussions led by specialists from the World Bank, the International Monetary Fund, the Federal Reserve System, the Agriculture Department and other organizations. The students may also take several field trips through the United States. They study how various government policies affect the development of a country, with examples of success and failure.

Who are the students, and how did they qualify? They are all senior government officials sponsored by one of the 58 World Bank member countries, between 30 and 50 years old, and able to speak English. Most of the 14 men are drawn from the fields of finance or agriculture.

The World Bank is paying half the bills of the Economic Development Institute. The other half, to the middle of 1957, is coming from two $85,000 grants made by the Rockefeller and Ford Foundations.

FRANCE

the business picture brightens

With industrial production up, consumer income and demand rising, and exports increasing, 1955 proved a good year for France. Improved trading conditions made possible recent measures to liberalize trade with dollar countries.

V. F. WIGHTMAN,
Office of the Commercial Counsellor, Paris.

THE FRENCH ECONOMY is booming. For the year 1955 the industrial production index (1938= 100) is expected to average 170, or 10 per cent above 1954, and the index for agriculture, at 123, is six points higher.

Confidence in the national currency has continued since the 1952 campaign to "save the franc" and so far there has not been any sign of the inflation which was a problem in other boom years. Consumer demand is strong and has been fed by wage increases in the past year.

Progress in Industry

Industrial output has gone up steadily over the past two years. The October index figure of 175 represents this year's peak and should be compared with last October's 159 and the 1954 average of 154. Individual industries registered increases for the year ranging from 8 to 14 per cent; those showing the greatest gains included chemicals, rubber and metals. Textiles and leather goods made little progress.

The production of energy to meet industrial and consumer demand has expanded. The output of the state-owned coal mines of 57·5 million tons equals the record of 1952, but the output per man has risen to 1,594 kilograms—5·5 per cent above 1952 and 30 per cent above 1938. Output of electricity in recent months has been running 9 per cent over last year. Petroleum, however, shows the most spectacular jump, thanks to the development of oil-bearing properties in the Bordeaux area; production of unrefined in August reached 83,900 tons compared with an average of 42,400 tons a month in 1954.

The steel industry, one of the most important in France, achieved in 1955 an output 20 per cent higher than in 1954—about one million tons per month during the spring and fall. Steel exports, which increased considerably at the beginning of the year, are now held back by increased domestic demand.

Aluminum production in '55 has ranged from about 13,000 to 14,000 tons per month compared with the 1954 average of 12,258 tons. Bauxite output has averaged 140 thousand tons a month recently, up 20 per cent, and new bauxite deposits are being developed in French Guinea.

The chemical industry as a whole is making great strides, with an increase of nearly 12 per cent over last year; the advance is particularly marked in fertilizers, plastics, paints and organic materials. French tire interests and the Government are planning the construction of a plant to produce butyl rubber from petroleum by-products. At present French rubber consumption is only 15 per cent synthetic but this figure is increasing and may reach 60 per cent within a few years. The new plant is expected to produce upwards of 20,000 tons of butyl, well over domestic consumption, but the cost of production will probably be above the world level.

Textiles are the exception to the general rule of industrial progress although the degree of depression varies with the raw material. The woollen industry showed signs of improvement by mid-1955 but the cotton industry, which has suffered most from the loss of markets in Indo-China, remains about 10 per cent below last year. On the other hand, the production of synthetic fibres continues to rise but has not yet caught up with demand.

Labour and Wages

Unemployment has rarely been a serious problem in postwar France and the total of 38,000 unemployed in October was 14 per cent below last fall. Over the past few years consumer income has shown an encouraging rise and this, coupled with stable prices, has greatly strengthened demand. Compared with 1952, total wages were 12 per cent higher in 1954 and an estimated 19 per cent higher in 1955. Retail sales are

up 15 per cent in Paris and savings have been expanding at the same time.

Prices have continued stable over the past year, with only a small seasonal increase in the index last fall when prices of dairy products and meat rose. However, some people fear that prices may edge up with the recent 3 per cent increase in the price of steel and the 2 to 3 per cent increase in non-ferrous metals.

The Financial Picture

As a result of price stability, rates quoted for gold coins and foreign exchange have tended to ease over the past year. Interest rates have tended to decline and more investment capital has been available. Bond yields have also declined but yields for stocks have been rising since April to the current average of 3·32 per cent.

Foreign exchange holdings have increased remarkably —from 57·1 billion francs at the beginning of the year to 200 billion in November ($570 million).

Trading Position Strengthened

The French trading position this year shows a further strengthening. The value of total exports (including trade with Overseas Territories) during the first nine months of 1955, at 1,216·6 billion francs, was up 11 per cent over the same period of 1954; imports during the same period, at 1,214·9 billion, gained only 5·5 per cent. The improvement is even more striking in trade with foreign countries, where exports are up 18 per cent and imports only 8 per cent, though the balance of trade is still unfavourable. In contrast, trade with the French Overseas Territories, both imports and exports, was down slightly; this was due, in part at least, to the unsettled situation in North Africa and the gradual withdrawal from Indo-China.

The main features in export trade with foreign countries were larger sales of iron and steel products, agricultural produce, coal and chemicals. Exports of iron and steel products, which account for 29 per cent of all exports, showed a sharp rise during the nine months period, from 176 billion francs in 1954 to 241·6 billion in 1955. On the import side, purchases of raw materials such as non-ferrous metals, oilseeds for crushing, etc., went up to meet the needs of an expanding industry.

Liberalization Measures Introduced

As a result of this improvement in the trading position, the French Government was able to move towards a more liberal trade policy. Liberalization within the OEEC area was raised on September 1st to 77·5 per cent and again to 79 per cent of 1948 imports at the beginning of 1956.

The compensation tax on some liberalized commodities imposed in April 1954 at a rate of either 10 or 15 per cent was whittled down during 1954 to 7 or 11 per cent, with the exemption of numerous items from this tax. The same rates of compensation tax are levied on imports from Canada and the United States, although most of these products are not free from import licensing, as are those from OEEC countries.

Dollar imports into France were strictly controlled during 1955; except for raw materials and essential capital goods for which licences were granted readily, each application was judged on its merits. However, the import of certain non-essential goods was permitted on payment of exchange premiums; limited imports of dollar goods for display at trade fairs were also allowed under quota.

At the beginning of 1956, announcement was made of measures to liberalize trade with Canada and the United States for the first time since the war. The list of products freed covers mainly raw materials or types of equipment not made in France and many of these goods are not expected to benefit immediately because of world shortages or because of cheaper sources of supply outside Canada and the United States.

The outlook for 1956 is bright. Demand is strong and backed by gradually rising wages. If present trends continue, wages may rise another 6·5 per cent, industrial output 8 per cent, and construction 3 per cent. It is estimated that investments in the private sector will increase by 6·5 per cent. However, as a result of strong industrial and consumer demand, exports may fall and imports go up. This would result in a reversal in the trend towards an overall favourable trade balance (including trade with the Overseas Territories) of 100 billion francs ($285 million).

Trade Commissioners on Tour

J. C. DEPOCAS, Canadian Trade Commissioner in Guatemala City, Guatemala, began his Canadian tour on January 30. His itinerary is:

Toronto—Feb. 20-March 2	Hamilton—March 12-13
Windsor—March 5-6	Kingston—March 14
London—March 7	Halifax—March 19-20
Kitchener—March 8	Saint John—March 21-22
Brantford—March 9	Montreal—March 26-April 13

Businessmen in the various centres may get in touch with this officer through the Board of Trade in Brantford, Halifax, Montreal and Saint John; the Chamber of Commerce in Hamilton, Kingston, Kitchener, London and Windsor, and the Canadian Manufacturers Association in Toronto.

Canada in Foreign Markets

Canadian exporters are invited to contribute to this series photographs of their products in use or on sale in foreign markets. Photographs should be adequately captioned, protected for mailing, and addressed to: The Editor, "Foreign Trade".

In Sweden—This group of businessmen, including the Canadian Commercial Secretary, have paused outside a Stockholm chain store to look at a display of Canadian canned peaches. The sign says, "Extra Value, 1½ kronor (approx. 28 cents) a can".

In Spain—Light alloy made from Canadian aluminum ingot was used by a Spanish firm to manufacture the framework for this dismountable pavilion. The photograph shows the pavilion being erected at the 1955 Valencia Sample Fair.

In Tahiti—These native women are demonstrating the old and new in non-electric irons. The girl on the right is using a modern, lightweight gas iron imported from Canada.

In Venezuela—The proprietor of a large dairy farm shows his latest import from Canada to the Canadian Commercial Counsellor and the Manager of the Royal Bank in Caracas.

Banking Abroad — Chile

A. EDWARDS, *Office of the Commercial Secretary, Santiago.*

BANKING IN THE CHILEAN REPUBLIC dates back to 1888 with the foundation of the Bank of Tarapaca and London, largely on the initiative of a certain Colonel North. Colonel North came to Chile to work for a Yorkshire (England) firm of boiler makers, and his first enterprise consisted of carrying fresh water by sea to the nitrate plants near Pisagua. He later acquired substantial interests in the nitrate industry itself and became influential both in Chile and London. The Bank of Tarapaca and London was originally formed with the object of financing and developing the nitrate trade between Chile, the United Kingdom and Europe. Its first office in Chile was established in Pisagua and it extended its activities to other parts of the Republic, such as Santiago, Antofagasta and Concepción. It was also a pioneer of banking in the far south, where its branch in Punta Arenas, on the Strait of Magellan, was the first in that area.

Financing Overseas Trade

Chile's foreign trade is financed by established letters of credit and documents against payment. In some cases, the "Red Letter" clause is applied, where agricultural products for export are involved. The majority of the principal banks quote daily rates of exchange of the world's major currencies. Transactions are subject to control by the Chilean authorities and no overbought or over-sold balances are permitted. Most institutions have well-organized departments preparing reports on credit information for their local and overseas clients. An applicant for credit facilities, provided the propositions submitted are sound from a banking point of view, seldom has difficulty in obtaining credit accommodation for export or essential import transactions.

All imports and exports from Chile require licences which are issued only by the Chilean Foreign Trade Council, with the exception of shipments destined for Arica, a free port.

For the time being, imports into Chile from such countries as the United States and Canada are somewhat restricted because of the shortage of dollars. Some shippers abroad accept orders against payment under established letters of credit; others ship on "D/P" Santiago terms. In the latter case, there is no assurance that exchange cover will become available upon arrival of the goods. Permission is granted for goods to be stored in the Custom House warehouse for not more than three months, after which the merchandise is liable to sale by public auction. The proceeds are applied to cover Custom House duties. However, an extension for a similar period is possible, subject to the approval of the Chilean Custom House authorities and the Foreign Trade Council.

Exchange cover for imports is secured exclusively through a commercial bank, whether it is the collecting bank or not. No foreign currency can be applied to any import in the absence of the import licence duly approved by the proper authorities.

In some cases, however, the Chilean exchange control authorities grant permission to import merchandise against payment in local currency, at a fixed rate of exchange, according to instructions received by the collecting bank. Legal opinion is divided about the disposition of any such local currency deposits in the event of consignee refusing to pay any difference of exchange on final liquidation.

Banks Established in Chile

Banco de A. Edwards y Compania, established 1913
Head Office, Valparaiso.

Banco de Credito e Inversiones, established 1937
Head Office, Santiago.

Banco de Chile, established 1893
Head Office, Santiago.

Banco Israelita de Chile, established 1944
Head Office, Santiago.

Banco Italiano, established 1905
Head Office, Valparaiso.

Banco Osorno y La Union, established 1908
Head Office, Osorno.

Banco Comercial de Curico, established 1906
Head Office, Curico.

Banco de Concepción., established 1891
Head Office, Concepción.

Banco de Constitucion, established 1912
Head Office, Constitucion.

Banco de Curico, established 1892
Head Office, Curico.

Banco Llanquihue, established 1897
Head Office, Llanquihue.

Banco de Punta Arenas, established 1900
Head Office, Punta Arenas.

Banco Sur de Chile, established 1942
Head Office, Temuco.

Banco de Talca, established 1894
Head Office, Talca.

Banco Sud-Americano, established 1944
Head Office, Santiago.

Banco Panamericano, established 1954
Head Office, Santiago.

Banco Espanol-Chile, established 1926
Head Office, Valparaiso.

Foreign Banks in Chile

Bank of London and South America Limited, established 1888
Head Office abroad: London
Head Office in Chile: Santiago
Branches in Chile: Concepción, Punta Arenas, Santiago and Valparaiso.

First National City Bank of New York, established 1916
Head Office abroad: New York
Head Office in Chile: Santiago
Branches in Chile: Santiago and Valparaiso.

Banco Frances e Italiano para la America del Sud Limitado, established 1921
Head Office abroad: Paris
Head Office in Chile: Santiago
Branches in Chile: Santiago only.

Banco Popular Colombo-Chileno, established 1955
Head Office abroad: Bogotá
Head Office in Chile: Santiago
Branches in Chile: Santiago only.

The Bank of London and South America Limited is the most important foreign institution in the territory. With its 64 branches and agencies, it gives direct representation in 17 countries—12 of them in Latin America.

Every type of banking business, both domestic and foreign, is undertaken. The more important banks are well equipped to handle trade with the principal countries of the world and pride themselves on being able to carry on a world-wide banking service. In so far as accommodation is concerned, preference is given to demands from local industries for the purchase of raw materials, imported agricultural machinery and accessories. None of the national banks has branches established abroad. They are, however, represented by correspondents in most of the principal countries of the world.

The Chilean Government has ruled that the maximum rate of interest to be charged by all banks in the country shall be 16·22 per cent, which includes commission and miscellaneous expenses. This compares with 13·4 per cent for 1954.

An inspection unit called "Superintendencia de Bancos" (Superintendency of Banks) supervises all banking institutions to ensure that all transactions are legitimate and strictly in accordance with the principles of commercial banking. Periodic examinations of bank records are carried out. Half-yearly (June 30 and December 31) balance sheets are compiled and published in the local newspapers.

Central Bank

The Central Bank of Chile (Banco Central de Chile) was formed in the year 1924 and holds the exclusive right to the issue of currency by the Government. It is also the official financial representative of the Government. It grants credit facilities to the public in general and rediscounts bills to commercial banks. Rates charged for this service are:

Discounts to the public	8 per cent a year
Rediscounts to commercial banks who are shareholders	4·5 per cent a year

The Banco Central de Chile is the official body for the control of all foreign currency accounts in connection with compensation and barter schemes between Chile and other countries.

The capital of the bank represents contributions from foreign banks, national banks and the Chilean Government. The board consists of members of foreign and national banks as well as representatives of the Chilean Government appointed by the President of the Republic.

The second government bank is the State Bank of Chile (Banco del Estado de Chile). This took over the assets and liabilities of the former Government Savings Bank (Caja Nacional de Ahorros), formed in 1927. The Banco del Estado operates in much the same way as local commercial banks, and caters especially to the development of agricultural and industrial business. It has an Agricultural Department equip-

ped to satisfy the needs of farmers for the purchase of machinery on a short-term basis.

The Banco del Estado is the only bank authorized by law to deal in savings bank accounts. It offers attractive rates of interest on sight and fixed deposit accounts, 3½ and 6½ per cent respectively.

Trustee and Executorship Business

This type of business is undertaken by the principal national institutions. Until recently, the purchase and sale of real estate was handled on a large scale. The number, in Chilean currency, of bills protested for non-payment has been rising during the past few years. Under government law, 24 hours' grace is allowed if the bill is not paid on expiry. Protest can be taken out on the expiration of that period. Legal procedure for the recovery of outstanding debts is, in the majority of cases, a long-drawn-out affair, resulting in extra expense to the creditor. All local banks are members of the Chilean Association of Banks (Asociacion de Bancos de la Republica de Chile).

Cuban Market for Wheat and Flour

Nearly one-tenth of Cuba's imported food bill (excluding beverages) is for wheat and flour. Wheat imports cost about $6 million a year; the $10 million market for flour from dollar countries requires close attention to bakers' preferences, to make headway against stiff competition.

G. A. BROWNE, *Commercial Secretary, Havana.*

CUBA'S SIXTEEN MILLION DOLLAR MARKET for wheat and wheat flour offers a challenge to Canadian exporters. Although competition is particularly strong from U.S. shippers and domestic millers, and is further complicated by local customs which must be studied at first hand, the foothold Canadian brands already have could probably be enlarged.

The Market

To meet Cuba's quota under the International Wheat Agreement, the distribution of wheat and flour entering her ports is controlled by import permits, issued by the Ministry of Commerce. Each purchase contract with a foreign shipper must be registered in detail in accordance with Commerce regulations. The importer of wheat or flour must also be registered both in the special *Registry of Wheat and Flour Importers* and in the *General Registry of Licensed Importers.* Inclusion in this list of approved importers and authorized dealers is made on the basis of previous history in the wheat and flour trade. New firms, candidates for the registry, may from time to time be accommodated through list changes and deletions and the Ministry's use of its adjustment reserve.

The Registry currently includes 311 names—200 authorized importers and dealers, 36 spaghetti and cracker factories, 66 confectioners and bakers, and nine *gofio* (a porridge-like cereal) and poultry-feed and cattle-feed manufacturers. Included in the 200 authorized dealers are large provision importers and some of the principal wholesale grocers in marketing centres throughout the Island.

Under the IWA, Cuba's quota is 202 thousand metric tons of wheat or the equivalent in flour. The domestic allocation of this quota for the 1955-56 wheat year is not significantly changed from 1954-55 distribution which was:

How Imports Are Allocated

From the total of 202 thousand metric tons—5 per cent or 10,100 metric tons to Commerce Ministry reserve, 80,000 metric tons to the local mill, and 1,550 metric tons to other users of wheat in the grain, *gofio* and feed manufacturers. Of the remaining 110,350 metric tons of wheat in the grain (equivalent to 79,452 metric tons of flour) allocations in terms of 200-lb. bags are—first, to fine biscuit and alimentary paste manufacturers, 144 thousand; second, confectionery, bread and cracker manufacturers, 90,000; third, provision importers and wholesalers, 604 thousand.

This distribution indicates a theoretical imported flour market of 838 thousand bags; actual arrivals of flour in the calendar years '54 and '55 as notified in daily Customs House returns were 545,940 and 493,840, all from the U.S. or Canada. Canada's share was 12·15 and 7·3 per cent respectively. The yearly average for these figures, 520 thousand bags, probably represents the maximum flour market for shippers to Cuba since the Commerce Ministry's present policy is to confine flour imports to that part of the Island's total demand which the domestic mill cannot itself meet.

U.S. and Canada Chief Suppliers

Although in the year 1951-53 there were some small arrivals of wheat and flour from France, French Morocco, Tangier, Mexico and Chile, in 1954 and 1955 shipments have come entirely from the United States and Canada. The U.S. contributed 88 per cent in 1954 and 93 per cent in 1955 of total flour shipments.

A characteristic of the market is the bakeries' insistence on a very high protein flour. A typical average specification demanded by the hundreds of small bakeries making the customary long flute bread is protein 13·9 per cent or better, ash 0·46/48, bromated 30 to 50 per million, maltose units 270/300, bleached. All flour shipped to Cuba is bromated to withstand the long fermentation periods. The typical small bakery ferments its sponge for eight hours, after which the dough—of which 20 ounces are needed to make one pound of bread—is cut to size and racked for a further two to three hours' ferment. Bromation varies with the season, increasing for winter baking. An important sales point is vitamin-enrichment; local demand is being steadily fostered by nutrition groups.

Baking Industry not Concentrated

The exact number of bakeries, makers of biscuits, crackers, and alimentary paste, and shops selling confectionery and pastry is difficult to ascertain; the smallest villages usually have one baker using as little perhaps as a bag of flour per day. According to various recent directories, there are at least six principal modern bakeries with capital in six figures, 31 of five figures, and some 150 smaller establishments with either a telephone listing or known to credit agencies. Beyond these there is an undetermined number of one-man operations in the small rural settlements. The biscuit, cracker and alimentary paste manufacturers, usually requiring a lower protein content, complete the roster of professional flour users.

Brands and Agents Numerous

The vigorous competition to sell flour in Cuba is indicated by the number of manufacturers' and local importers' brands or trademarks. Nearly one-half of the some 250 marks currently active are the private brands of local importers and dealers. This competition is heightened by the large number of commission agents busy in the trade; the current estimate is well over 100 in Havana alone, although only about one-fifth represent big shipments.

Concentrated largely in Havana, these agents usually have sub-agencies throughout the Island. In the struggle to win the favour of wholesalers and bakers, prices not infrequently are subject to variation. The average Havana price at the end of December 1955 for the typical grade of northern hard spring wheat flour as above was US$12.60 c.i.f. per 200-lb. osnaburg bag. Terms of payment vary, but the greater number of transactions are made on cash against documents, on arrival, with a tendency to extend up to 30 to 60 days. The usual discounts are customarily demanded for secured, immediate payment.

Imports and the Preferential Tariff

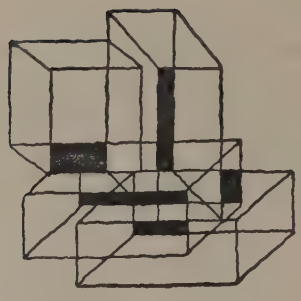
The Cuban tariff on wheat and flour is specific, per 100 kilograms; 16 cents is the rate on wheat from both the United States and most-favoured-nation (Canada) countries. On flour, the rate for the U.S. is 63 cents, for MFN countries 83 cents. U.S. semolina has a similar preferential rate—$2.10 against $3.60.

The value of wheat and flour imports in the calendar year 1954 is indicated by the following figures of U.S. and Canadian exports.

WHEAT AND FLOUR EXPORTS TO CUBA—1954

		UNITED STATES		CANADA	
		Quantity	*Value*	*Quantity*	*Value (Cdn.$)*
		(thousands)		*(thousands)*	
Wheat	bu.	1,700	$3,744	1,205	$2,152
Flour total			$8,386	402	$2,074
Flour U.S.	cwt.	1,462	7,251		
Flour, not wholly U.S.	cwt.	32	169		
Prepared flour mixes	lb.	91	15		
Durum wheat, flour and semolina	lb.	920	46		
Bakery products	lb.	2,590	902		

Opportunities to introduce new brands of flour or increase sales of brands little known in Cuba are limited by the bakers' preference for long-established and familiar marks. Annual changes in the control of individual flour allocations, however, are estimated to affect 20 to 30 thousand bags. This volume alone might be an interesting sales target for the flour shipper who can offer suitable flour at a price which is an inducement to the wholesaler or baker and an incentive to the agent. ●



commodity notes

Argentina

NEWSPRINT—According to recent press reports, 75 per cent of the cost of Argentine newsprint imports will be paid for at the official market rate of exchange (18 pesos per U.S. dollar) and 25 per cent at the free market rate (recently 36-45 pesos per dollar). This gives an effective import rate which is at least three times that of recent years (7·50 pesos per dollar). Hence, it is expected that the domestic price for newsprint will increase. Trade estimates for imports for 1956 are approximately 100 thousand tons—Buenos Aires, Jan. 29.

Australia

WOOL—Australia's wool earned £140 million in the last six months of 1955 compared with £159 million during the same period of 1954, a 12 per cent decline. Lower prices were responsible for the reduced returns; actually more bales were sold in the 1955 period—1·89 million compared with 1·76 million in the last half of 1954. Prices declined 18 per cent from an average £90 per bale in the 1954 period to an average £74 during the 1955 period—Melbourne, Jan. 20.

Austria

PAPER—The Austrian pulp and paper industry is working at full capacity. During the first nine months of 1955, total paper production rose to 293 thousand metric tons from 269 thousand in the same period of 1954. Newsprint accounted for 89,000 tons (1954, 76,000 tons). It is estimated that Austrian newsprint production in 1955 will total approximately 123 thousand tons, or 1 per cent of world production. Austria's newsprint consumption, about 27,000 tons before the war, declined to 19,800 tons in 1947, but is believed to have totalled 31,000 tons last year.

During the first three quarters of 1955 Austria's chemical wood pulp production totalled 302 thousand tons, as against 275 thousand tons the year before. The production of mechanical pulp moved up slightly from 102 thousand tons to 110 thousand, in line with a cardboard output of 64,000 tons (57,000).

Exports of paper and cardboard in the first nine months of 1955 were valued at A.Sh.1,036·5 million, up by A.Sh.170 million from last year. Exports of pulp totalled A.Sh.481·8 million (375·0 million in 1954). The principal outlets were West Germany, Italy, Indonesia, Australia and the United Kingdom —Berne, Jan. 23.

Cuba

EXPLOSIVES—Application for tax exemption and other benefits under the Industrial Stimulation Act has been made by the Compania Naçional de Explosivos, Havana, to establish a factory to manufacture explosives and accessories. The plant, which will be built in the nearby town of Santiago de las Vegas, will cost approximately $100 thousand, employ initially 14 and 40 when it is in full production. The operation will require, in addition to local purchases of equipment and raw materials, imports of a variety of products such as potassium chlorate, dinitro toluene, mirbane oil, both solid and liquid paraffin, sulphur, dynamite, detonators, fuses, bare copper cable, T.N.T., potassium permanganate, magnetos and galvanometers—Havana, Jan. 25.

Greece

OLIVE OIL—This year's olive oil crop is estimated at 70,000 metric tons, the lowest in many years (130 thousand tons in 1954), although it should have been the heavy crop in the usual two-year cycle of alternate large and small crops. However, the daccus fly caused considerable damage to the crop and weather conditions were unfavourable during the blossoming season. Olive oil is a leading export and over 20,000 tons were exported in 1954, with Italy and Brazil the principal buyers. It is also an important ingredient of the Greek diet and in an effort to hold back soaring prices, exports have been severely restricted. Also, substitute edible oils, such as cottonseed, soya bean, sunflower and peanut, are now permitted import free of all customs duties—Athens, Jan. 26.

India

SHRIMPS—India is making a serious effort to enter the $140 million United States shrimp market, which consumes between 250 and 300 million lb. a year. Up

to this time the traditional markets for the huge "king-shrimp" caught off the Malabar coast of India have been Burma and Ceylon, with small exports to other countries. The shrimp are caught by special trawlers provided by the Government and processed in a new refrigeration plant near Calicut which has been leased to an American firm by the Madras Government. The Indian shrimp project is expected to earn initially about $5 million a year—New Delhi, Jan. 19.

Indonesia

SOCKS—A new sock knitting factory has been opened in Djakarta, equipped with modern automatic knitting machines capable of producing 20,000 dozen pairs of cotton, nylon and woollen socks a month when it is operating on two shifts. Currently, production is 10,000 dozen pairs a month. The annual production capacity of 240 thousand dozen pairs is just under the 1953 import figure of 265 thousand dozen pairs—Djakarta, Jan. 16.

Jamaica

OIL—The Stanolind Oil and Gas Company, a wholly owned subsidiary of the Standard Oil Company of Indiana, has acquired a controlling interest in Base Metals Corporation's oil prospecting rights in Jamaica. A scientific prospecting program is to start immediately at an initial cost of $2 million. The American company's interest could indicate better prospects of finding oil. If oil is discovered, the Jamaican Government will receive a maximum royalty of 12½ per cent of the value of all oil recovered, plus income tax of 40 per cent of the company's net annual profits—Kingston, Jan. 20.

Mexico

NEWSPRINT—It is anticipated that within three years Mexican newsprint production will have reached a point where imports are not necessary. The market has been supplied almost exclusively from Canada in recent years; Canadian sales have averaged $6 million a year.

A plant being installed at Tuxtepec, in the southern state of Oaxaca, is designed to start production at the rate of 30,000 metric tons annually and will employ 800 at the factory and in the surrounding forests. A second, larger plant is to be built with government funds in the northwestern state of Michoacan. Contracts for the design and engineering of both plants have been awarded to well-known Canadian firms—Mexico D.F., Jan. 26.

Netherlands

CATTLE—The Egyptian Government has bought about 350 head of Netherlands cattle, to a total value of 250 thousand guilders, to help build up the country's herds—The Hague, Jan. 30.

Norway

FORK TRUCKS—A Norwegian firm producing fork trucks has received large orders from South America, Africa, Portugal and Sweden, and to meet the greater demand, has increased its production capacity. The trucks are several types, with load capacities from ½ to 2 tons. This factory is the only one of its kind in Norway—Oslo, Jan. 27.

South Africa

AUTOMOBILES—Relaxed import restrictions have led to increased imports of cars. Figures for the first six months of 1955 show new motor vehicle registrations totalling 29,431 compared with 49,724 for all of 1954—Cape Town, Jan. 18.

Venezuela

FISH—The total take of fish in 1954 was 51,771 metric tons valued at Bs.32 million, or approximately $9·6 million. The fishing was carried on in 8,696 ships (2,962 powered), representing an investment of approximately $8·8 million—Caracas, Jan. 26.

West Germany

TOYS—In 1955 the West German toy industry worked to full capacity and its total turnover amounted to nearly DM270 million as against DM251·3 million in 1954. Exports worth DM145 million (132 million in 1954) accounted for about 53·7 per cent (52·5 per cent in 1954) of the total. Main importers of German toys were the United States, Sweden, Switzerland, the Netherlands, Italy, Belgium, and the United Kingdom. Exports to Canada, Denmark and almost all Latin American countries declined—Bonn, Feb. 3.

AUTOMOBILES—A German automobile manufacturer recently announced that its Indian subsidiary at Jamshedpur, in co-operation with the parent company, plans to produce trucks and buses completely "made in India". The firm, at present an assembly plant, will offer these Indian trucks to the market in about four years' time. An investment of DM16 million will be made in the near future to enable the Indian company to increase production from 3,000 to 6,000 trucks annually—Bonn, Feb. 3.

A Look at the Sudan

The New Year saw the Sudan launched upon a new course as an independent republic. What are its economic prospects and its plans for the future? Can Canadians hope to increase their small current trade there?

M. R. M. DALE, *Commercial Secretary, Cairo.*

THE SUDAN has achieved independence. On January 1, 1956, the Sudanese Republic was born, following a unanimous vote of the Chamber of Deputies in December. What will this mean to the market for foreign goods there? Will the country's external trade decline because of increased restrictions, or will new development programs call for raw materials and machinery? What can Canadians offer the new Sudanese Republic?

The Sudan is a land of contrasts. Its million square miles include a barren desert in the north and a lush tropical forest in the south. Between these extremes lie millions of acres of rich cotton-growing lands, fed by irrigation canals from the Nile. Rainfall ranges from one or two inches annually in the north to 50 or 60 inches in the south. The nine million population is varied. The southerners are negroes, largely uneducated and pagan, and the northerners are Arab Moslems considerably influenced by Egyptian culture.

An Agricultural Economy

The Sudan's economy is predominantly agricultural and heavily dependent on cotton. Grain crops—chiefly millet, wheat, barley and maize—are widely grown for internal consumption, and oilseeds, peanuts and dates are also important crops. In the arid regions of the north, crops cannot grow except on land the Nile flood reaches or which is artificially irrigated. In central Sudan the rainfall may reach 20 inches, but all within a few months, so irrigation is necessary. Already two million acres are irrigated, with plans for more. Grazing in central Sudan is sparse and livestock must be watered at wells throughout the summer. The south offers ample grazing but its use is currently limited by poor communications.

The known mineral resources of the Sudan are poor. Gold is mined on a small scale, iron ore and lead have been extracted in the past, and limestone is quarried at Atbara. But any other mineral deposits discovered have proved uneconomic to work, either because of their small size, inferior quality, or remote location. About two-thirds of the regions likely to contain minerals have been prospected.

Local Industry Growing

The largest industry in the Sudan is cotton ginning. Because each year's cotton crop must be ginned before the onset of the rainy season, the cotton ginneries have had to expand in step with the growth of the cotton areas under cultivation, and the improvement in yield. Some other local manufacturing has begun. A cement factory and a brick works have risen at Atbara, salt is panned at Port Sudan, meat is canned at Kosti, and other undertakings include a cigarette factory, flour mills, tanneries, soap and glass factories, soft drink plants, and a new brewery at Khartoum. In 1953, the first factory for knitted fabrics and garments was opened in Khartoum and is now in full operation. Apart from its contribution to Sudanese manufacturing, it gives well-paid employment to a number of Sudanese women who have no other means

Cotton ranks first among crops in the Sudan and cotton ginning is its largest industry. Picture shows the interior of a ginning factory at Meringan, with busy Sudanese workers.

of support. The principal obstacle to further industrial development is lack of fuel and power.

The first budget to be prepared by Sudanese personnel was presented to Parliament last November. It was a stocktaking of economic resources and an appeal for austerity and care with respect to the country's foreign reserves, considerably depleted by large expenditures on consumer and luxury goods.

The 1955-56 budget provides for an expenditure of over £E34 million—roughly £E12 million for personnel, £E16 million for services, and £E6 million for extraordinary expenses. Because wages and salaries account for 34 per cent of the budget, some effort is being made to reduce the amount. The increased expenditure on services results mainly from the Government's accelerated plans for expansion of education and health programs, the establishment of a Department of Religious Affairs, expansion of the Sudan Airways and of the security forces, and the establishment of a cotton ginning factory in the Nubia mountains.

Sudan Development Programs

The increased expenditure on services is consistent with the Sudan development program. Public pressure for rapid extension of the health and education services, and for public utilities such as water, electricity and telephones, has led to an emphasis on such projects.

The Sudan development programs are concerned solely with government expenditure: they do not include private investment. The first program covered the years 1946 to 1951 and the present or second one runs from 1951 to 1956. The first was allotted £E14·5 million; the second was originally granted £E24 million. This amount was raised to £E37·25 in June 1955. It is estimated that the development projects to be started during the next ten years will cost approximately £E200 million.

Both development accounts have so far been fed from revenue. Good cotton crops and high prices since 1950 have given the Government healthy surpluses. But with the present low world cotton prices, it is unlikely that the Sudan will have large surpluses in the next few years. As long as the returns from the cotton market remain poor, the Government will cut down expenditure of foreign exchange on non-essential imports and invisible (that is, non-trading) items.

Import Control Necessary

In an effort to conserve foreign exchange, the Sudan has introduced import control. Some essential commodities are under open general licence; others needed for the development programs are licensed freely. Non-essential items are on quotas designed to reduce imports substantially.

The import duty on most goods entering the Sudan is 25 per cent, although there are exceptions of interest to Canadians, including building materials at 12 per cent and machinery at six per cent. Before independence, under the Condominium Agreement of 1899, Egypt was the only country to receive a preferential duty. But the Sudan is now free to alter the preference in her tariff, if she wishes.

Foreign Trade

The Sudan has a large overall deficit on its visible trade account; this exceeded £E8 million in 1954. The deficit with the sterling bloc alone totalled over £E5 million. Sales to the dollar area, however, exceeded purchases by £E1·4 million in 1954. The prospects for earning foreign exchange from the sale of Sudanese agricultural crops are less favourable than last year. The trend of world prices for nearly all Sudanese exports, including cotton, is downwards, and there are still large stocks of cotton in the country.

Cotton is the Sudan's biggest earner of foreign exchange. The forest provides its second largest export, gum arabic. In 1954, revenue from cotton exports reached approximately £E22 million, compared with £E4 million from gum arabic and £E14 million from all other exports, including peanuts, dates, sesame, hides and skins, and oilcake.

The United Kingdom supplied 32·4 per cent by value of the Sudan's imports in 1954, followed by India with 11·8 per cent, and Egypt with 10·4 per cent.

The table below gives the Sudan's nine largest imports (by class) during the first seven months of 1954 and of 1955.

	First seven months of (in £E)	
	1955	*1954*
Food products, beverages, tobacco	7,282,147	8,014,791
Machinery, apparatus, vehicles	5,236,223	4,317,853
Textiles	5,172,026	4,868,172
Base metals and manufactures	2,396,630	3,099,265
Chemicals	2,106,241	1,245,055
Products for heating, lighting, power and lubricants	2,084,781	1,789,804
Clothing and made-up textiles	1,778,571	1,302,766
Wood, cork and manufactures	668,405	531,883
Non-metallic minerals	470,985	874,042

Trade with Canada

Canadian imports from the Sudan were valued at $56,954 in 1954 and $60,160 during the first nine months of 1955. They consisted almost entirely of gum arabic. Canada's sales to the Sudan are small—$8,368 in 1954, and $3,555 during the first nine months of 1955. They consisted almost entirely of agricultural equipment, with some automobile parts and a small amount of powdered milk. Canada is not among the Sudan's 33 largest suppliers.

The most hopeful fields for increasing trade with the Sudan appear to be capital goods and building materials. The development program will require imports of irrigation pumps and equipment; agricultural machinery, including tractors; road construction equipment; electric generating and transmission equipment; railway supplies; motor vehicles, tires and tubes; industrial machinery, equipment and raw materials. Although the Sudan's Canadian purchases have been small, the businessmen of Canada should not disregard this young republic anxious to improve its way of living and expand its industries.

Uruguay and Its Agricultural Markets

Slow sales of wheat and wool resulted in large carryovers and in shortage of money to pay for dollar imports, though situation now improving. Meat, butter and potatoes, on other hand, have been in short supply.

BLAIR BIRKETT, *Commercial Counsellor, Montevideo.*

AGRICULTURAL CONDITIONS in Uruguay during 1955 were anything but ideal for the smooth and profitable operation of the country's economy. Large carryovers of wool and wheat, and more linseed than the processing plants could handle, posed serious disposal problems. On the other hand, there have been serious shortages of such staple commodities as meat, butter, citrus fruits, potatoes and maize. As a consequence of the difficulty of selling wheat and wool for dollars, imports of farm machinery and equipment from the United States and Canada have been further restricted. This has caused hardships in many instances where the preference is for American-type machines, and where replacements and parts are badly needed.

Wool Sales Improve

The new season's wool clip, which is expected to be about the same as last year's, started to come on the market in October to join the substantial carryover from 1954-55, amounting to nearly 40 per cent of that season's production. Sales at first were slow, but interest on the part of foreign buyers quickened later and exports in November registered a substantial increase over those for the same period in 1954—32,363 bales as against 10,682. December sales are also well in advance of those last year and are contributing to the recent strengthening of the peso. The principal buyers are the Netherlands, the United Kingdom, and the United States.

An important factor contributing to this greater interest in Uruguayan wool was the modification in September of the rate of exchange applicable to exports of the raw product. Until December 31st all shipments are at a premium of Uruguayan pesos 0·21 per U.S. dollar, with reductions during the following months of the season.

With a view to resolving the conflict between the processors of wool tops and the exporters of the raw product, the Government invited a mission from the International Wool Federation to Montevideo to examine all aspects of the trade in tops and raw wool. Although this mission spent 15 days in the country nothing was accomplished and matters remain much as they were before.

Meat Becomes Scarce

The year 1955 has been conspicuous for a short supply of meat for local consumption and for export. This continues the trend begun two or more years ago and which is giving cause for increasing concern. The combination of high production costs, resulting mainly from excessive stockyard dues in favour of the workers, a noticeable depletion of the already dangerously low basic cattle herds, higher internal consumption of meat, an unfavourable rate of exchange for exports, and the arrangement by which the Frigerifico Nacional is the sole buyer of fat cattle for local consumption has brought the foreign packing houses almost to a standstill. Definite improvement was noted during November and December but during most of 1955 these plants were operating only one to two days a week. The national abattoir at times could not cope with all cattle being shipped from the interior.

From January 1, 1955, to mid-October, out of a total of 370,963 head of cattle slaughtered 341,511 were processed by the national plant. The national plant also handled 248,677 head of sheep out of a total of 263,677 slaughtered.

Exports of meat and hides have therefore fallen off very considerably this year, as is evidenced by the following figures for the period January 1st to September 30th:

	1954	*1955*
	metric tons	
Frozen beef	45,269	8,947
Frozen mutton	6,870	265
Canned meat	21,800	4,799
Hides and skins	30,182	19,224

Realizing the serious position of the foreign packing plants (frigorificos) and particularly their workers, the Government in October launched several projects designed to increase the production of cattle and sheep. One of these projects, already become law, is the setting aside of Uruguayan pesos 18 million to provide for:

- Special payments for the production of cattle destined for meat supply.
- Compensation for losses in the export of canned meat.
- A premium on the export of mutton.
- The financing of a larger volume of exports of frozen and canned meat.

Another project in hand is the obtaining of a dollar loan from the International Bank for Reconstruction and Development for further financing, and a third is the import of about 70,000 head of steers from Argentina, both for slaughter and breeding. The negotiating of these last two schemes is said to be well under way.

According to a reliable estimate, there are 7·7 million head of cattle (including dairy cattle) in Uruguay today, compared with well over 8 million in 1951.

Wheat Surplus a Worry

Wheat production in 1954-55 amounted to 716,900 metric tons, of which 60,000 tons remained unsold at the beginning of December. The disposal of this surplus, plus an expected good crop during the present season, presents a difficult problem in view of the large wheat surpluses overhanging world markets. Bitter disappointment is felt over liberal terms of sales of wheat by the United States to Brazil recently. It was hoped that, as in 1955, Brazil would continue to be a good market for Uruguayan wheat.

Other Agricultural Products

Linseed—Production fell off from 64,500 tons in 1954 to 61,700 tons in 1955. This figure compares with 108,600 tons in 1953. Protection of the local industry producing linseed oil, cake, and meal continues through favourable export exchange rates and the prohibition of seed export.

Potatoes—The annual consumption of potatoes in Uruguay is about 110 thousand tons, 80,000 tons of which were produced locally. The remainder came from France, the Netherlands, and Argentina in amounts of 22,800, 6,200 and 1,500 tons respectively. A small quantity of seed was imported from Germany and Denmark, but the bulk of requirements, as usual, was obtained from Canada on government purchase. For the present season 201 thousand (100 lb.) bags of Canadian seed are now arriving in Montevideo.

Dairy Products—A decline in milk production during 1955 because of poor pasture conditions throughout most of the winter (June, July and August) resulted in an acute shortage of butter and made necessary the import of nearly 600 tons from Argentina. The supply of cheese was also affected and the shortage was made up by imports from Switzerland and Holland. With much improved conditions since August, butter and cheese production should soon return to normal.

Market for Hides Needed

The large packinghouses dispose of their hides (mainly wet salted) at world prices immediately they become available, so they carry only small stocks. Firms dealing in the dry hides sent to the port from the small abattoirs in the interior, however, are having a difficult time trying to dispose of a large surplus of generally second and third grades. The value of the stock on hand is estimated at $5·6 million—$2·7 million worth of cattle hides and $2·9 million of sheep skins. The Government is considering a special export rate of exchange to assist in disposing of these hides.

Data for Exporters

The International Trade Relations Branch of the Department of Trade and Commerce has prepared bulletins covering shipping documents and customs regulations of the following countries: Belgium, Belgian Congo, Bolivia, Brazil, Chile, Colombia, Cuba, Dominican Republic, Egypt, Finland, France, Western Germany, Greece, Guatemala, Haiti, Iceland, Indonesia, Israel, Italy, Mexico, Netherlands, Netherlands Antilles, Nicaragua, Norway, Panama, Peru, Surinam (Netherlands Guiana), Sweden, Switzerland, United States and Venezuela.

If you wish copies, write to the Branch. Data on other countries will be compiled from time to time and will be added to this list.

trade and tariff regulations

Australia

TARIFF BOARD INQUIRY—The Australian Tariff Board announced on January 23 that it had been requested by the Minister for Trade and Customs to inquire and report on the following subjects:

What rates of duty should be imposed on:

(*a*) Polishing or scouring bobs or wheels.

(*b*) Alternating current machines.

(*c*) Electric motors for domestic-type sewing machines, whether imported separately or otherwise.

(*d*) Apparatus, whether imported separately or otherwise, for controlling the speed of the electric motors referred to in (*c*).

Whether lighting attachments, known as needlelights, imported in combination with the electric motors referred to in (c), should be charged with duty at the same rates as the motors.

Canadian firms exporting these products to Australia may wish to have their views on these tariff inquiries placed before the Tariff Board. The most effective method of doing so is for the Canadian exporter to have his Australian agents act on his behalf before the Board. Action should be taken as soon as possible because tariff inquiries normally begin in Australia soon after the announcements are made.

Rates of duty on these products or other assistance in connection with these inquiries may be obtained from the International Trade Relations Branch, Department of Trade and Commerce, Ottawa.

Denmark

IMPORT REGULATIONS FOR FEED GRAINS—At a meeting of the Danish Parliamentary Committee on Supplies on January 19th, it was decided not to place oats and barley on the free list for the present. This means that applications must still be made for import licences for these items. Corn and milo-corn are the only two feed grains which have already been placed on the free list.

In the discussion within the Parliamentary Committee, the point was made that unless the domestic feed situation were to tighten considerably there would be no justification for altering the existing import licence requirements—Copenhagen, Jan. 20.

Federation of Rhodesia and Nyasaland

IMPORT CONTROLS, FIRST HALF OF 1956—Import controls for the first half of 1956 were reported in the January 21, 1956, issue of *Foreign Trade,* page 31. It was stated at that time that the quota for commercial and passenger vehicles had not yet been announced but was expected to be approximately £640 thousand.

Cabled advice has just been received from the Canadian Trade Commissioner at Salisbury that the Federation of Rhodesia and Nyasaland has now announced the dollar allotment for automobiles for the first half of 1956. The allocation amounts to £650 thousand with no distinction between passenger cars and trucks.

Dealers are free to use their respective quotas either for cars assembled in the Union of South Africa or imported directly from overseas. Any purchases for sterling in the Union of South Africa will be deducted from the dollar quota. Import licences will not be granted for cars valued at more than £800 f.o.b. factory.

According to the customs tariff of the Federation, the rate of duty on passenger motor vehicles of a value for duty purposes not exceeding £500 is 17½ per cent ad valorem when of Canadian origin, and 25 per cent ad valorem when coming from most-favoured-nation countries including the United States. Passenger motor vehicles of a value for duty purposes exceeding £500 are dutiable at 25 per cent ad valorem from Canada and 30 per cent ad valorem from most-favoured-nation countries.

Jamaica

REVISED CUSTOMS DOCUMENTATION FORM—The Government of Jamaica has brought into effect a revised invoice and combined certificate of value and of origin form which must be used to cover imports into that colony.

The text of the revised form may be obtained from the International Trade Relations Branch of the Department of Trade and Commerce.

Mauritius

IMPORTS FROM CANADA—The Controller of Supplies in Mauritius announced recently that the following goods would be permitted import from Canada in limited quantities: newsprint, prepared foods, box shooks, farm implements, tools and aluminum products. The commodity grouping "prepared foods" includes a wide range of foodstuffs such as confectionery, canned fish and evaporated and powdered milk.

Further information may be obtained from the International Trade Relations Branch, Department of Trade and Commerce, Ottawa.

Pakistan

IMPORT CONTROL POLICY FOR JANUARY-JUNE 1956 ANNOUNCED—A public notice published in *The Gazette of Pakistan* of December 28, 1955, lists the items for which it is proposed to issue import licences for the shipping period, January-June, 1956. The licences will be valid for all countries of the world including Canada. The schedule of permissible imports for the current shipping period, January-June 1956, adds many items not previously licensable and withdraws a few items which were permitted import for July-December 1955.

Items not previously licensable but which may be imported during January-June 1956 include:

Haberdashery and millinery; unspecified glass and glassware; electric cables and wires; wireless reception instruments, parts and accessories thereof including aerials; hair clippers; pressure lamps; musical instruments, parts and accessories; ale, beer, porter, cider and other fermenting liquors and rum and gin; domestic refrigerators and parts thereof; domestic sewing and knitting machines; pigments and dry colours; lithopones; barytes; all sorts of painters' materials; plumbago and graphite; old newspapers; milk, condensed and preserved; potato seeds; rubber patches and solutions; fountain pens and parts; oil cloth and floor cloth (special type); firefighting hose; parachutes and cord; aeroplanes and parts and accessories thereof; unspecified canvas required for industrial use; fluorspar, feldspar, bleaching and fullers earth and magnesia composition; thermoplastic moulding compounds; tea chests; buttons (special type); mechanical and educational toys.

Items deleted from the list of permissible imports are:

All sorts of unspecified mineral oils; printed paper labels and transfers; worsted woollen yarn and knitting wool; unspecified cotton twist and yarn; woollen fabrics (worsted only); cotton fabrics, including umbrella cloth; unmanufactured tobacco.

United States

QUOTA ON GROUNDFISH FILLETS—The United States Bureau of Customs has announced that for 1956 the import quantity of fresh or frozen fillets of cod, haddock, hake, pollock, cusk, and rosefish to be granted the reduced rate of 1⅞ cents a pound, under tariff paragraph 717(b), has been set at 35,196,575 pounds. This is 236,049 pounds lower than the 1955 low-rate quota.

Tariff paragraph 717(b) provides that the aggregate quantity entitled to the 1⅞ cents a pound reduced rate shall be not more than 15 per cent of the average annual consumption of such fish during the three preceding calendar years. All imports above the quota are subject to the higher rate of 2½ cents a pound.

Of the total quantity of fish (35,196,575 pounds) entitled to entry at the rate of 1⅞ cents a pound during the calendar year 1956, not more than one-fourth shall be so entitled during the first three months, not more than one-half during the first six months, and not more than three-fourths during the first nine months of the year.

Tours of Territory

W. R. VAN, Commercial Secretary in Rome, will visit importers and local industries in industrial centres in central and northern Italy, including Florence, Bologna, Modena, Reggio Emilia, Parma, Piacenza and Pavia. He begins his ten-day tour on February 27th.

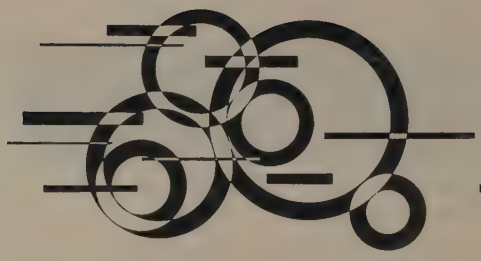
K. F. OSMOND, Commercial Secretary (Fisheries) in Rome, will visit the salt fish trade and other potential importers and industries in Genoa and Leghorn during the week of March 19th.

G. A. BROWNE, Commercial Secretary in Havana, will tour Cuba during the latter part of March. During his tour, Mr. Browne will visit the following business centres: Santiago de Cuba, Bayamo, Nicaro, Holguin, Gibara, Camaguey, Ciego de Avila, Santa Clara, Caibarien, Cienfuegos, Sagua la Grande, Matanzas.

Businessmen who would like these officers to undertake assignments should get in touch with them at their posts as soon as possible.

Index to Foreign Trade

The index to "Foreign Trade" for January-December 1955, Volume 104, issues 1 to 13, is now ready. If you would like a copy, write to the Editor, "Foreign Trade", c/o Department of Trade and Commerce, Ottawa.



transportation notes

Canada

NEW PASSENGER LINER—The Canadian Pacific passenger vessel *Empress of Britain* will enter the transatlantic service early this spring. The 26,000-ton liner, built at a cost of nearly $16 million, has a service speed of 21 knots and will provide 300 thousand cubic feet of mechanically ventilated cargo space, plus 80,000 cubic feet of refrigerated area, for transatlantic shippers.

On her maiden voyage from Liverpool on April 20th, the *Empress of Britain* will carry 150 first class and 950 tourist class passengers. With her two sister *Empress* ships, a weekly service will be offered between Montreal and Liverpool.

Denmark

MERCHANT NAVY—On December 1st the Danish Merchant Navy totalled 537 ships of 100 g.r.t. and over, making a total of 1,614,000 g.r.t. The number of ships is almost the same as at the outbreak of war in 1939 but the tonnage has risen by 50 per cent. Denmark's share of the total world fleet is not as large as in 1939 nor has the recent rate of expansion been as rapid as that in Norway and Sweden.

Construction of an ordinary motor cargo vessel of 9,500 deadweight tons and a speed of 12 knots now costs about $215 per ton, compared with $43 per ton before the war. A ship of this type now costs about $2·9 million—Copenhagen, Jan. 23.

India

AIR PACT WITH JAPAN—India and Japan have signed an agreement designed to promote the development of air traffic between the two countries. Under the agreement, Air-India International is entitled to touch Japan at Tokyo and proceed to points beyond Japan, in both directions. Similarly, an airline to be designated by the Japanese Government will be able to touch India at Calcutta and Delhi and proceed if desired to points beyond India in both directions. The agreement includes an Air-India international service from Bombay-Calcutta-Bangkok-Hong Kong-Tokyo, under provisional authorization by the Government of Japan—New Delhi, Jan. 20.

Mexico

SHIPPING FOR SULPHUR—A group of Mexican industrialists will buy six ships to carry about 500 thousand tons of sulphur a year from Gulf ports. International Cargo de Mexico S.A., a private corporation, has announced that it will spend $1·5 million on used vessels. Operations in the Gulf will be based chiefly on exports of sulphur from vast reserves in the Isthmus of Tehuantepec where full-scale production began in 1955—Mexico, D.F., Jan. 27.

Netherlands

RAILWAY PASSENGERS—The average number of railway passengers carried per kilometre a year is higher in the Netherlands than in any other European country, according to the annual bulletin on European transport statistics published by the Economic Commission for Europe. The bulletin says that the average for the Netherlands was 2,804,000 passenger-kilometres per year in 1954; the European average was 920 thousand. Belgium took second place with 1,737,000, Britain was third with 1,244,000, West Germany fourth with 1,156,000, and France fifth with 860 thousand passenger-kilometres per year—The Hague, Jan. 27.

United Kingdom

CANAL DEVELOPMENT—The British Transport Commission has announced plans to spend £5·5 million in developing the United Kingdom's principal inland waterways. Improvements are proposed for seven canal systems with a total length of 326 miles, which carry about eight million tons of cargo a year. Although these seven systems represent only 15 per cent of total mileage of canals in Britain, they carry about two-thirds of the total cargo moved through the waterways.

In 1955, traffic carried on the whole canal system increased by about 350 thousand tons over 1954. The main expenditure in the present plans will be for bank protection work, made necessary by the use of powered barges, and for dredging, widening, realignment of navigation channels and repairs to weirs and sluices—London, Jan. 26.

Foreign Commercial Representatives in Canada

ARGENTINA
Montreal—Consul General of Argentina, 1111 Beaver Hall Hill.

AUSTRALIA
Montreal—Australian Government Trade Commissioner, 1255 Phillips Square.
Vancouver—Australian Government Trade Commissioner, 643 Hornby Street.

AUSTRIA
Ottawa—Chargé d'Affaires a.i., Legation of Austria, 445 Wilbrod Street.
Toronto—Austrian Trade Delegate, Suite 106, 77 York Street.
Vancouver—Austrian Trade Delegate, Room 111, 525 Seymour Street.

BAHAMAS
Toronto—Assistant Trade Commissioner, Victory Bldg., 80 Richmond Street, West.

BELGIUM
Montreal—Consul General of Belgium, 709 Sun Life Bldg.

BOLIVIA
Montreal—Consul General of Bolivia, 5612 Canterbury Avenue.

BRAZIL
Montreal—Commercial Attaché, Brazilian Government Trade Bureau, Room 302, 400 St. James Street West.

BRITISH GUIANA, BRITISH HONDURAS, BRITISH WEST INDIES
Montreal—Trade Commissioner for British Guiana, British Honduras and British West Indies, 37 Board of Trade Bldg.

CHILE
Montreal—Consul General of Chile, Apt 131, 3445 Cote des Neiges.
Vancouver—Consul of Chile, 1575 West Sixth Avenue.

CHINA
Ottawa—First Secretary, Embassy of the Republic of China, 201 Wurtemberg Street.
Vancouver—Consul General of China, 510 Hastings Street West.

COLOMBIA
Ottawa—First Secretary and Consul, Suite 16, Roxborough Apartments.
Montreal—Consul General of Colombia, 1822 Sherbrooke Street, West.
Toronto—Consul General of Colombia, 499 Oriole Parkway.
Vancouver—Consul of Colombia, 1575 West Sixth Avenue.

COSTA RICA
Montreal—Consul General of Costa Rica, 1465 Mackay Street, Apt. 4.

CUBA
Montreal—Consul General of Cuba, 1572 Summerhill Avenue.

CZECHOSLOVAKIA
Montreal—Commercial Attaché of Czechoslovakia, 1255 Phillips Square.

DENMARK
Ottawa—Royal Danish Legation, 451 Daly Avenue.
Montreal—Consul, Royal Danish Consulate, Room 815, Keefer Building, 1440 St. Catherine Street West.
Toronto—Secretary (Commercial), Royal Danish Consulate, 114 Danforth Avenue.

DOMINICAN REPUBLIC
Ottawa—Consul General of the Dominican Republic, 20 Bower Street.
Montreal—Consul General of the Dominican Republic, Apt. 4, 3201 Forest Hill Avenue.

ECUADOR
Montreal—Consul General of Ecuador, 5409 Coolbrook Street.

EGYPT
Ottawa—Commercial Attaché, Egyptian Embassy, Roxborough Apts., Apt. 39.

EL SALVADOR
Montreal—Consul General of El Salvador, Apt. 14, 1452 Bishop Street.

FINLAND
Ottawa—Second Secretary, Legation of Finland, 140 Wellington Street.

FRANCE
Ottawa—Commercial Counsellor to the French Embassy, 464 Wilbrod Street.
Montreal—Commercial Attaché of France, 610 St. James Street West.
Toronto—Commercial Attaché of France, 185 Bay Street.

GERMANY
Ottawa—First Secretary (Commercial Affairs), Embassy of the Federal Republic of Germany, 580 Chapel Street
Montreal—Consulate General of the Federal Republic of Germany, 1529 McGregor Street.
Toronto—Consulate of the Federal Republic of Germany, 77 York Street.
Vancouver—Consulate of the Federal Republic of Germany, 213-214 Crown Bldg., 615 West Pender Street.
Winnipeg—Consulate of the Federal Republic of Germany, 424 Wellington Crescent.

GREECE
Ottawa—First Secretary, Royal Greek Embassy, Suite 110, Chateau Laurier.

GUATEMALA
Montreal—Consul General of Guatemala, 401 Metcalfe Avenue, Westmount.

HAITI
Ottawa—Consul General of Haiti, 18 Rideau Street.
Montreal—Consul of Haiti, 1405 Bishop Street.

HONDURAS
Montreal—Consul General, Consulate General of Honduras, Suite 423, 1117 St. Catherine Street West.

INDIA
Ottawa—Second Secretary (Commercial), Office of the High Commissioner for India, 200 MacLaren Street

INDONESIA
Ottawa—Commercial Counsellor, Indonesian Embassy, 160 Metcalfe Street.

IRAQ
The Consul General of Lebanon is in charge of Iraqi interests. See address below.

IRELAND
Montreal—Irish Trade Representative (Irish Export Promotion Board), 1015 Beaver Hall Hill.

ISRAEL
Montreal—Vice Consul of Israel (Commercial), 1555 McGregor Street.

ITALY
Ottawa—Commercial Attaché, Embassy of Italy, 136 Queen Street.
Toronto—Italian Trade Commissioner, Suite 403, 34 King Street East, Toronto.

JAPAN
Ottawa—Second Secretary (Commercial), Embassy of Japan, Room 701, Metcalfe Bldg.
Toronto—Japanese Consulate, 180 University Avenue.
Vancouver—Japanese Consulate, 510 Hastings Street West.

LEBANON
Ottawa—Consul General of Lebanon, 470 Wilbrod Street.

LUXEMBOURG
Montreal—Consul General of the Grand-Duchy of Luxembourg, 4832 Western Avenue.

MEXICO
Montreal—Consul General of Mexico, Room 806, Castle Bldg.

MONACO
Montreal—Consul of Monaco, Room 35, 35 Notre Dame Street West.

NETHERLANDS
Ottawa—Commercial Counsellor, Embassy of the Netherlands, 12 Marlborough Avenue.
Montreal—Netherlands Consulate, 1103 Castle Bldg., 1410 Stanley Street.
Toronto—Netherlands Consulate, 159 Bay Street.
Vancouver—Netherlands Consulate, 475 Howe Street.

NEW ZEALAND
Montreal—New Zealand Trade Commissioner, Room 609, Sun Life Bldg.

NORWAY
Ottawa—Secretary, Norwegian Embassy, 140 Wellington Street.
Montreal—Vice-Consul of Norway, 1410 Stanley Street.

PAKISTAN
Ottawa—Commercial Attaché to the Pakistan High Commissioner, 505 Wilbrod Street.

PERU
Ottawa—Second Secretary, Embassy of Peru, 539 Island Park Drive.

POLAND
Ottawa—Acting Commercial Attaché of the Polish Legation, 362 First Avenue.

PORTUGAL
Ottawa—Embassy of Portugal, 285 Harmer Avenue.
Montreal—Consul of Portugal, 1499 Bishop Street.

SPAIN
Ottawa—Commercial Office, Spanish Embassy, 149 Daly Avenue.

SWEDEN
Ottawa—Secretary, Royal Legation of Sweden, 720 Manor Road, Rockcliffe Park.
Montreal—Commercial Secretary, Royal Consulate General of Sweden, 1511 Bishop Street.

SWITZERLAND
Ottawa—First Secretary, Swiss Legation, 5 Marlborough Avenue.
Montreal—Consul General of Switzerland, 1572 McGregor Street.
Toronto—Consul of Switzerland, 600 University Avenue.
Vancouver—Consul of Switzerland, 402 West Pender Street.
Winnipeg—Consul of Switzerland, 210 Mitchell-Copp Bldg., 334 Portage Avenue.

THAILAND
Toronto—Consul of Thailand, 200 Bay Street.
Vancouver—Consul of Thailand, 5416 Marguerite Street.

TURKEY
Ottawa—Commercial Counsellor and Secretary, Turkish Embassy, 197 Wurtemberg Street.

UNION OF SOUTH AFRICA
Ottawa—Commercial Secretary, Office of the High Commissioner for the Union of South Africa, 15 Sussex Street

UNION OF SOVIET SOCIALIST REPUBLICS
Ottawa—Trade Counsellor, Embassy of the USSR, 24 Blackburn Street.

UNITED KINGDOM
Ottawa—United Kingdom Senior Trade Commissioner and Economic Adviser to the High Commissioner, 56 Sparks Street.
Edmonton—United Kingdom Trade Commissioner for Alberta, Imperial Bank Bldg., Jasper Avenue.
Halifax—United Kingdom Trade Commissioner for the Atlantic Provinces, 65 Spring Garden Road.
Montreal—United Kingdom Trade Commissioner for Quebec, 1111 Beaver Hall Hill.
Toronto—United Kingdom Trade Commissioner for Ontario, 119 Adelaide Street West.
Vancouver—United Kingdom Trade Commissioner for British Columbia, 540 Burrard Street.
Winnipeg—United Kingdom Trade Commissioner for Manitoba and Saskatchewan, 504 Main Street.

UNITED STATES
Ottawa—Commercial Attaché, Embassy of the United States, 100 Wellington Street.
Calgary—Consul of the United States, Toronto General Trusts Bldg.
Edmonton—Consul of the United States, 214 Empire Block.
Halifax—Consul General of the United States, Bank of Nova Scotia Bldg.
Montreal—Consul General of the United States, 1558 McGregor Street.
Niagara Falls—Consul of the United States, Newman Hill, Falls Street.
Quebec—Consul of the United States, 1 Ste. Genevieve Avenue.
Saint John—Consul of the United States, 204 Union Street.
St. John's—Consul General of the United States, King's Bridge Road.
Toronto—Consul General of the United States, 360 University Avenue.
Vancouver—Consul General of the United States, 335 Burrard Street.
Windsor—Consul of the United States, Canada Trust Bldg.
Winnipeg—Consul General of the United States, 402 Tribune Bldg.

URUGUAY
Ottawa—First Secretary, Embassy of Uruguay, 170 Laurier Avenue, East.

VENEZUELA
Ottawa—Commercial Counsellor, Embassy of Venezuela, Roxborough Apts., Apt. 21.
Halifax—Consul, Room 401, Roy Bldg., Burrington Street.
Montreal—Consul General of Venezuela, 2052 St. Catherine Street West.
Toronto—Consul, 25 Adelaide Street East.
Vancouver—Vice Consul of Venezuela, 525 Seymour Street.

YUGOSLAVIA
Ottawa—Embassy of the Federal People's Republic of Yugoslavia, 17 Blackburn Avenue.
Toronto—Consul General of the FPR of Yugoslavia, 27 Montclair Avenue.

The following nominal quotations may prove useful in checking prices. Canadian traders should consult their banks before making any firm commitments.

Conversions into Canadian dollar equivalents and units of foreign currency per Canadian dollar have been made at cross rates with sterling or the United States dollar on the date shown.

Except when buying and selling rates are specified, the mid rates only are quoted. The buying rate is that at which banks purchase exchange from exporters. The selling rate is that at which banks sell exchange to importers.

When several rates are indicated, the rate applicable depends on the commodity traded. Information on the rate for any specific commodity may be obtained from the International Trade Relations Branch, Department of Trade and Commerce, Ottawa.

Rates used exclusively in non-merchandise trading are *not* included in the table.

For conversion to United States dollar equivalent multiply by 1·00094.

foreign exchange rates

Country	Unit	Type of Exchange	Can. dollar equivalent Feb. 3	Units per Canadian dollar	Notes (See below)
Argentina	Peso	Official	·05550	18·02	(3)
		Free	·02350	42·55	
Australia	Pound		2·2433	·4458	
Austria	Schilling		·03843	26·02	
Belgium-Luxembourg	Franc		·01999	50·03	
Belgian Congo	Franc		·01999	50·03	
Bolivia	Boliviano	Official	·00526	190·04	
British West Indies	Dollar		·5842	1·712	(4)
	Pound		2·8041	·3566	(5)
	Dollar	British Honduras	·7010	1·427	
Brazil	Cruzeiro	Effective selling			
		*Category I	·01117	89·56	tax 10% (2)
		Category V	·00277	361·43	*Jan. 17 (6)
		Official buying	·05441	18·38	
Burma	Kyat		·2098	4·766	
Ceylon	Rupee		·2103	4·755	
Chile	Peso	Official	·00496	201·7	(1)
		Principal	·00333	300·3	(7)
Colombia	Peso	Basic	·3996	2·50	(8)
		Free*	·2298	4·35	*Feb. 2
Costa Rica	Colon	Official	·1779	5·62	
		Controlled free	·1504	6·65	
Cuba	Peso		·9991	1·001	tax 2% (2)
Czechoslovakia	Koruna		·1387	7·21	
Denmark	Krone		·1446	6·92	
Dominican Republic	Peso		·9991	1·001	
Ecuador	Sucre	Official	·06661	15·01	
		Free	·05758	17·37	
Egypt	Pound	Official	2·8689	·3486	
Fiji	Pound		2·5262	·3959	
Finland	Markka		·00434	230·41	
France	Franc		·00285	349·65	(9)
French Africa	Franc		·00571	175·01	(10)
French Pacific	Franc		·01570	63·69	(11)
Germany	D Mark		·2371	4·22	
Greece	Drachma		·03330	30·03	
Guatemala	Quetzal		·9991	1·001	
Haiti	Gourde		·1998	5·01	
Honduras	Lempira		·4995	2·002	
Hong Kong	Dollar	Free*	·1692	5·91	*Jan. 27
		Official	·1753	5·70	
Iceland	Krona	Official	·06135	16·30	
		Special buying	·04835	20·68	
		Special selling	·03807	26·27	(12)
India	Rupee		·2103	4·755	
Indonesia	Rupiah	Basic	·08798	11·37	(13)
Iran	Rial	Certificate	·01319	75·82	
Iraq	Dinar		2·7974	·3575	
Ireland	Pound		2·8041	·3566	
Israel	Pound		·5550	1·802	
Italy	Lira		·00160	623·44	
Japan	Yen		·00278	360·10	
Lebanon	Pound	Free	·3087	3·239	

* Latest available quotation date.

Country	Unit	Type of Exchange	Can. dollar equivalent Feb. 3	Units per Canadian dollar	Notes (See below)
Mexico	Peso		·07993	12·51	
Netherlands	Guilder		·2612	3·828	
Netherlands Antilles	Guilder		·5263	1·900	
New Zealand	Pound		2·8041	·3566	
Nicaragua	Cordoba	Effective buying	·1514	6·605	
		Official selling	·1417	7·056	
Norway	Krone		·1399	7·148	
Pakistan	Rupee		·2103	4·755	
Panama	Balboa		·9991	1·001	
Paraguay	Guarani	Basic	·04757	21·02	(1)
		Group I	·03701	27·02	
		Group II	·02855	35·03	(14)
Peru	Sol	Certificate	·05258	19·02	
Philippines	Peso		·4995	2·002	
Portugal	Escudo		·03487	28·68	(15)
El Salvador	Colon		·3996	2·503	
Singapore & Malaya	Straits dollar		·3271	3·057	
South Africa (Union of)	Pound		2·8041	·3566	
Spain & Dependencies	Peseta	Basic buying	·04562	21·92	
		Basic commercial selling	·06083	16·44	(1)
		Free	·02569	38·93	
Sweden	Krona		·1931	5·179	
Switzerland	Franc		·2332	4·288	
Syria	Pound	Free*	·2825	3·54	*Dec. 13
Thailand	Baht	Free	·04869	20·54	(1)
Turkey	Lira		·3568	2·803	
United Kingdom	Pound		2·8041	·3566	
United States	Dollar		·9991	1·001	
Uruguay	Peso	Official	·6577	1·520	tax 6% (2)
		Basic buying	·5612	1·782	(1)
		Special buying	·4252	2·352	
		Basic selling	·4757	2·102	
		Special selling	·3568	2·803	
Venezuela	Bolivar		·2982	3·353	
Yugoslavia	Dinar		·00333	300·12	(16)

* Latest available quotation date.

notes

1. Additional rates are in effect.
2. Tax affects selling (import) rates only; certain essential imports exempt.
3. Argentina: Additional rates result from exchange retentions on export proceeds and surcharges on imports.
4. Barbados, Trinidad, Tobago, Leeward and Windward Is., Br. Guiana.
5. Bahamas, Bermuda, Jamaica.
6. Brazil: Currency certificates auctioned for five import categories. Effective selling rate is official plus price of certificates. Exporters receive cruzeiros at official rates plus exchange premiums ranging from 18.70 to 31.70 cruzeiros per U.S. dollar depending on product.
7. Chile: Official rate applies only to most essential imports.
8. Colombia: Stamp taxes of 3, 10, 30, 80 and 100 per cent on imports depending on essentiality. The free rate applies to minor exports and less essential imports.
9. Includes Algeria, Tunisia, Morocco, Guiana, Guadeloupe, Martinique.
10. Equatorial Africa, West Africa, Cameroons, Togoland, Somaliland, Madagascar, Reunion, St. Pierre and Miquelon.
11. New Caledonia, New Hebrides, Oceania.
12. Iceland: Special rates apply to minor export products of small fishing boats and designated non-essential imports.
13. Indonesia: Basic rate applies to all exports and a few essential imports. Purchase of exchange for other imports is subject to surcharges of 50, 100, 200 or 400 per cent depending on products.
14. Paraguay: Paraguayan exports subject to basic rates plus variety of exchange subsidies and surcharges.
15. Portugal: Approximately same rate for Portuguese Territories in Africa.
16. Unofficial sources report that Yugoslavia has established a buying rate of 600 to the U.S. dollar, effective January 1st, 1956. We have not yet received official confirmation of this report.

general notes

Chile

FISHERIES—A fleet of five fishing vessels, with a total registry of approximately 500 tons, sailed recently from Germany. The fleet, under the German flag, has permission to fish in Chilean waters for five years, after which it will either be nationalized or returned to Germany—Santiago, Jan. 23.

India

METALS BOARD—The Government of India is expected to establish a Metals Board to ensure the supply of essential metals for the planned development of industries under the Second Five-Year Plan (1956-1961). The Board will plan and regulate indigenous production, internal distribution, imports and exports, prices and stockpiling of all ferrous and non-ferrous metals, including steel, aluminum, copper, zinc and lead—New Delhi, Jan. 20.

Indo-China

MEKONG RIVER SURVEY—The International Co-operation Administration, Washington, has agreed to assist the Governments of Cambodia, Laos, Vietnam, and Thailand in financing a survey of the great Mekong River with a view to immediate and long-range development. The Mekong actually originates in Tibet, travels through China, thence through each of the four countries named, before emptying into the sea near Saigon in Vietnam. It is believed to hold considerable possibilities for exploitation in the fields of navigation, irrigation, power and domestic water supplies—Hong Kong, Jan. 19.

Netherlands

FISHING FLEET—Netherlands fishing companies are trying to dispose of 120 herring drifters—about half the total Netherlands fishing fleet—which are considered obsolete. Their plans, which have been submitted to the Government, provide for the building of 60 trawlers within five years. The Government would have to support the building program by granting "breaking-up" subsidies to owners who have replaced their old ships. Negotiations with foreign companies who might be interested in buying these old ships were started a long time ago but have not been very successful. So far, only Norway has bought seven drifters. Early last year the Government drew up a plan for the replacement of 40 drifters by modern ships but this was received with little enthusiasm by the shipowners. The Government offered financial support in the form of credits but was not prepared to grant "breaking-up" subsidies—The Hague, Jan. 27.

Norway

AGRICULTURAL OUTPUT—The exceptionally dry weather prevailing during the summer and early autumn months caused considerable damage to Norwegian crops. The total agricultural output is estimated at 1,679 million "feed units" (the equivalent nutritive value of one kilogram of barley), which is 79 per cent of an average year. In 1954 the total yield amounted to 2,150 million "feed units", or 101 per cent of the average. To alleviate the losses suffered by the farmers in certain districts, measures have been passed which will cost the Government some Norwegian kroner 40·5 million in subsidies. The drought this year meant a total loss to Norwegian agriculture of Norwegian kroner 270 million—Oslo, Jan. 29.

United States

BOSTON RETAIL PATTERN—A study of the retail pattern in metropolitan Boston during the past two decades reveals that 90 per cent of the 178 supermarkets in the greater Boston area are located in secondary shopping centres—Boston, Jan. 30.

West Germany

SHIPYARDS—West German shipyards worked at full capacity in 1955. The total production of the shipbuilding industry during the first ten months of 1955 was nearly DM1·5 billion. Hamburg shipyards led with a tonnage of 300 thousand gross registered tons, compared with 220 thousand g.r.t. in 1954 and 260 thousand in the previous record year 1953. Thus Hamburg's share in shipbuilding has increased to one-third of total West German deliveries. Bremen shipyards supplied a tonnage of 220 thousand g.r.t. as against 256 thousand g.r.t. in the previous year. The shipyards of Schleswig-Holstein produced a total of 260 thousand g.r.t. compared with 315 thousand g.r.t. in 1954—Bonn, Jan. 23.

Tips for Exporters . . .

- *Answer every query from abroad promptly . . . it could lead to a big order.*
- *Whenever possible, reply in the language in which the correspondent writes . . . it may mean the difference between "sale" and "no sale".*
- *Write regularly to foreign customers . . . it pays to keep in touch.*
- *When you write use Airmail . . . it's faster, more efficient.*